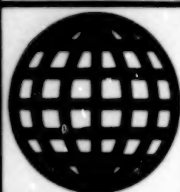


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# ***JPRS Report***

## **Soviet Union**

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**WORLD ECONOMY &  
INTERNATIONAL RELATIONS**  
*No 3, March 1990*

# Soviet Union

## WORLD ECONOMY & INTERNATIONAL RELATIONS

### No 3, March 1990

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23 July 1990

[The following are selected translations from the Russian-language monthly journal *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA* published in Moscow by the Institute of World Economy and International Relations of the USSR Academy of Sciences. Refer to the table of contents for a listing of any articles not translated.]

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## World Economy &amp; International Relations

No 3, March 1990

## English Summaries of Major Articles

904M0010A Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA in Russian No 3, Mar 90 (signed to press 16 Feb 90) pp 158-159

[Text] V. Studentsov, in his article "The Integrity of the World and Convergence," shows that the basis of this integrity is the very nature of the people with all their common values including economic motivations and interests independently of the fact whether some of them are exploiters and the others are being exploited. Proceeding from this point of view the author, when considering an enhanced integrity of the contemporary world, argues that just this integrity of the world defines at present the so-called new parameters of the political and economic development of various countries whether they are socialist or capitalist ones. According to the opinion of the author, this situation provides grounds to believe that the convergence of capitalism and socialism is not only possible, but it is necessary and is going on for a long period of time. Therefore, the convergence of existing socialism with the transformed capitalism should constitute an objective, but regulated process. In this way, the author makes an attempt to revitalize the well-known and short-lived convergence theory because, as the author believes, capitalism is being "socialized" and socialism is being "individualized."

N. Zagladin—B. Kapustin "Alternatives and Imperatives in World Politics." Discussing prospects of the evolution of human society N. Zagladin explains some epistemological, political and ideological background of great attention paid now to the problem of alternative ways of social developments. And yet, he argues, existing realities of the modern world let assert that the most dramatic stage of the crisis of civilization is over. The new political thinking, determining the future interdependent world's evolution, makes a search for alternatives unnecessary. Some possibilities of choice still exist for socialist societies looking for the way to renovation. But such possibilities are rather limited, too, since the new alternatives should be adapted to the imperatives of the new world order. From B. Kapustin's point of view, the problem of alternatives is a problem of choosing mechanisms for the global interactions determining the main dimensions of human life and progress. The "postindustrial" and "postrevolutionary" stage of human history opens wide prospects for the alternatives models, since the alternativity is an immanent quality of the objective reality.

Some features of Andrey Sakharov's unique personality are represented in the essay in memoriam of this great man, "A.D. Sakharov: Scientist, Citizen, Politician," written by I. Zorina.

As a young student of extraordinary abilities in 1941, or as a member of the Supreme Soviet in 1989, as a

scientist, decorated and honored to the highest degree, or as a political exile, publicly slandered and hated, he never betrayed his principles, never agreed to limit himself and his responsibilities to a narrow—no matter how important—scientific field. He was not the only man to see and understand the dangers and cruelty of totalitarianism and militarism; and yet he was one of the few and the most prominent of them, who were able to struggle against the evil. His profound erudition, spiritual independence, his gentle heart and strong will made him a prophet of justice and consciousness, that now we call the new thinking, first suffering insults and persecution in his own country, and now deeply respected and mourned all over the world.

The idea of expanding loans in the international credit market for financing urgent economic needs in the course of Perestroika in the USSR is discussed in the article "Perestroika and Demands of the Soviet Economy for External Financing" by V. Popov. The author believes that both in the Soviet Union and in the West there are both resolute supporters and decided opponents of this idea. He tries to calculate the necessary amounts of investments and to define the spheres of their allocation including the reduction of the state deficit, the increase of expenditures for the social maintenance, education, health service and for a replacement of the equipment worn out. Further, the author discusses the measures and sources for obtaining the necessary money including a reduction of industrial investments, a rise of prices on consumer goods, an increase of state loans in the internal credit market and an expansion of external loans. He shows that there are certain opportunities for expanding external loans, but he comes to a conclusion that if a radical reform of the economy with a simultaneous expansion of external loans were postponed again then it would be possible to defer a complete decay of the economy only with the import at the account of loans. But in the end, our country would get into the "Polish trap," and a transition to a market economy would entail large-scale social and political losses.

A. Sizov's article "External Economic Relations of the USSR AIC: Necessity of Perestroika" is devoted to an analysis of forms, structure and role of the import of foods grown apace during the first half of the 1970s on the basis of receipts of petroubles. The petrouble euphoria fell into oblivion, but the import of foods was augmented up to the share which is not observed in any developed country, and in a majority of countries of the "Third World." The burden of external purchases of foods is excessively heavy for the economy of our country and devours about one third of currency receipts. But at the same time the tension in the internal food market is so great, and our dependence on external purchases is so strong that "simple" solutions of problems of the food import are impossible. On the one hand, a radical change of the structure of import is necessary for liquidating disproportions in the food complex of the country and for improving the ration of the population.

On the other hand, there is a necessity of utilizing all forms of external economic relations developed by the world community. All these measures are inseparable from the formation of the foreign food policy. Without it, it is hardly possible to pursue an efficient agrarian policy on the whole and to solve specific tasks on a saturation of the country's food market.

As N. Spassov points out in the article "The Old and the New in the Middle East Conflict," this conflict is as old as the present interstate system, which came into being in the aftermath of the World War II, much older than other regional conflicts. Its main question is how to create *modus vivendi* acceptable both for Jewish and Palestinian people and guaranteeing their stable and peaceful co-existence in the region. Trying to find out which nation's claim to the land named by ancient Romans Palestine is historically more justified, is fruitless.

One can suppose that the special feature of the Middle East conflict making it so difficult to regulate is its total ideologisation, bearing, to make the things worse, the religious character, which always makes conflicts especially violent and irreconcilable. The Soviet attitude to the problem was dominated by not quite correct analogy between Israel and old colonial states and consequently by absolute preference for Arab side. The global background of the Middle East conflict was formed by strategic rivalry of two world systems. During the cold war superpowers' involvement in a regional problem usually blocked solution of the latter and intensified arms race in the area; on the other hand, the Middle East conflict caused some complications in American-Soviet relations.

The new trends in international climate since 1985 brought about changes in Soviet-American relations and influenced both superpowers' approach to the regional issues, and to the Middle East problem particularly. New flexibility, revising of old one-sided attitudes and stereotypes raise at last some hopes of peaceful solution of the conflict.

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### **Integrity of World and Convergence**

904M0010B Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 3, Mar 90 (signed to press 16 Feb 90) pp 5-12

[Article by Viktor Borisovich Studentsov, candidate of economic sciences and senior scientific associate at Institute of World Economy and International Relations, USSR Academy of Sciences]

[Text] The integrity of the world has numerous aspects, but they all have a common basis—the human being. People, regardless of the particular corner of the world and the particular socioeconomic system in which they

live, regardless of the particular class to which they belong, have indisputably similar, if not identical, interests and motives. Human nature is the same everywhere, and although people play different social roles even within the framework of a single socioeconomic system, the basic, inherent features of their nature are the same. Human nature consists of what are now commonly referred to as human values—the desire for personal, political, and economic freedom, justice, peace, etc. Economic motives and interests are prominent in this set of values. In reality, there has never been a "socialist individual" embodying pure collectivism and altruism or a "capitalist individual" personifying individualism and uncontrollable acquisitiveness.

This seemingly obvious aspect of the integrity of the world was virtually ignored or even deliberately concealed for a long time. In fact, even integrity itself was discussed in the most discerning terms. People did not look behind the external differences between social systems, countries, and nationalities to find the principal and significant factors uniting them. Before mankind could realize that it was a single entity, it had to reach a new level of correlation. The transformation of human civilization from the sum of its individual parts into an organic whole, connected not by the spatial community of the earth's surface, but by interaction in various spheres, took an extremely long time. For many millennia and centuries, political, trade, and cultural contacts developed primarily between neighboring peoples and countries. This was a period of the unity of separate regions at best. Interaction between territorially distant nationalities and countries, especially those separated by mountains or oceans, was of a sporadic nature and was certainly not one of the internal requirements of the development of the human community.

Now the map of the world looks completely different. The higher development of geographic areas and the establishment of international or even global productive forces and production relations (this is seen most clearly in the operations of TNC's and international regulating bodies) resulted in closer economic and political correlation. The "compression" of space and time were also the result of transportation and communications systems of planetary dimensions. The world became smaller and more interrelated: All countries and peoples in the world, and not just those with a common border, can regard each other as neighbors today. After all, any significant political or economic decision made by one state affects the interests of others. Events taking place in one corner of the world often produce loud echoes in the opposite corner. Fundamental changes in the conditions of international interaction are also the result of the regrettable fact that the size of weapon stockpiles and the wasteful treatment of natural resources, which are certainly the common property of mankind, have put its very existence in jeopardy.

The increased integrity of the world has set new parameters of political and economic development. More than ever before, governments have to take action with a view



to possible reactions inside their own country and abroad. Social systems and patterns of development are being compared and contrasted on an ever broader scale. In some cases this is outright competition or rivalry, and in others it is an exchange of information, the transmission of social experience, and the disclosure of more progressive and viable structures. This gives people a chance to learn from the mistakes of others and to share their achievements. In the past, and especially today, "self-isolation" and autarchy doom people to underdevelopment, because even the largest and most talented nationality is incapable of staying ahead of the rest of the world in the comprehension and transformation of reality.

Obviously, transplants have to be compatible with their new environment. Compatibility means nothing other than the existence of certain common bases and structures attesting to convergence. Anyone who closes his eyes to the process of convergence, and not only within the capitalist world (what else would we call the "Americanization" or "Japanization" of the socioeconomic structures of several countries?), but also between capitalism and socialism, would only be deceiving himself. This convergence is not the dilution of capitalism in real socialism or the opposite, but the consistent progression of both to a specific state which will be a synthesis and development of capitalism and socialism but will nevertheless be different from both. Convergence, if it is defined as development in some common direction and as the maturation and interconnection of similar economic and political structures, is not something that will happen in the future, but something that has already been going on for a long time....

We might wonder whether the convergence of capitalism and socialism is a phenomenon arising during the course of their interaction under outside pressure or whether its sources lie within each. In other words, is it a largely external and alien process, imposed from outside, or the result of the development of the inner nature of both societies?

In this connection, I would like to say a few words about A. Salmin's view of this matter (see MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA, No 1, 1990). Judging by all indications, he regards convergence as a purely external phenomenon, but convergence is not an "external" and "unexpected" fusion. Even in biology, to which the author refers, purely external similarities in the structure and functions of the organism are backed up by the similar conditions and identical evolutionary patterns (natural selection) that have transformed the very nature of the organism. Convergence in biology and in social development is not an accident, but a natural phenomenon with objective causes. How can we ignore the objective and natural causes, rather than specific ones (which would imply accidental development), of the similarity of "chronologically and territorially distant" societies? The similarity of certain social institutions (financial systems,

armies, and monasteries), which Salmin does acknowledge, exists precisely because these are the same institutions with the same functional nature in different societies and structures. Of course, the existence of similar or almost identical social institutions is not enough in itself to attest to the convergence of societies. The latter occurs only when their basic, salient features and characteristics converge.

To assure ourselves that convergence is a reality, and not a myth, we will examine the degree to which contemporary capitalism and socialism correspond to their canonical models, even if these were more likely to exist in theory than in practice. The boundary between them was drawn along the following lines: goals of economic management, property relations, exploitation, and the effects of law of value (this is equivalent to the question about the role of the market in the regulation of economic proportions).

The main feature distinguishing capitalism from socialism is the purpose of social development. It was assumed, and this was corroborated by historical facts, that the purpose of development in the capitalist society would be dictated to the society or imposed on it by a single class, the capitalist class, whereas the purpose in the socialist society would be the same as the goals of all citizens. This approach was flawed from the start by the reduction of all of the diversity of social life to mere economics. Besides this, it created a false view of the interaction and correlation of private and public interests. In one case, only the goals of capitalists were defined as the determining factor, and private interests were therefore described as the regulator of social development while the public interest was completely ignored, and in the second case the abstract public interest served in this capacity, obscuring the existence of private goals and interests—class and individual.

Fundamental differences in property relations were assumed to be the main reason for the differing goals of social development in the capitalist and socialist societies.

Private ownership, serving as the basis of exploitation, was defined as one of the main characteristics of capitalism. The alienation of workers from the means of production and their consequent lack of interest in producing the surplus products which were completely appropriated by the capitalist gave rise to the need for certain expenditures to encourage efficient labor (guaranteeing the production of a surplus product), which would have been unnecessary if the means of production had been owned by the immediate producers. There was also the assumption that private ownership tended to isolate producers from one another, as a result of which economic proportions took shape spontaneously and under pressure after the goods had been produced and had reached the market. Capitalism was also portrayed as a society in which the masses had no political rights whatsoever. Therefore, it was described as a fundamentally unjust and inefficient society.

The prevalence of public ownership of the means of production in the socialist society was expected to, first of all, eliminate exploitation and, second, unite the interests of all members of society. Under the conditions of economic management on the scale of the entire society, on its behalf, and in its interest, economic proportions must take shape before production begins, on the basis of what Engels called the plans of the "head entrepreneur." The maximum centralization of economic affairs was ideal for this purpose. The socialist state, which was expected to represent the entire society, actually had to become not only the head entrepreneur, but the only entrepreneur, and to accumulate all information and make virtually all economic decisions. This kind of planning presupposed the enunciation of value and all market concepts—exchange, prices, money, trade, etc. The higher effectiveness of socialism as a system was therefore deduced from the elimination of anarchy in production and from the more highly productive labor of workers working directly for themselves.

The socialist economy was like a gigantic factory in which the functions of each worker were strictly defined and scheduled as part of one grand plan. Each person was only a screw in the huge social machine. In place of A. Smith's theory of the "invisible hand" of the market—the idea that the desire of each individual in a market economy to satisfy his own egotistical interests would work toward the common good—there was the theory of the "visible hand"—the idea that under the conditions of centralized planning, the satisfaction of common interests or the public interest would be tantamount to the satisfaction of the interests of each individual. Of course, the idea that private and public interests could be equated, or that individual interests would automatically be satisfied along with the public interest, removed the need to develop democratic political structures in the socialist society because these had always had the function of reconciling the conflicting interests of citizens. In this way, the society was deprived of the most important mechanism for the coordination of interests, including the feedback that guarantees the control of the highest levels by the lowest.

Experience proved that neither of these models was viable. Neither the disregard for the public interest for the sake of private goals—i.e., a prevalence of pure individualism—nor the complete dilution of private interests in the public interest—i.e., their effective suppression (which corresponded to the atomistic commercial production and the over-centralized non-commercial production cultivated under the slogan of socialist construction)—represented the optimal organization of social relationships. To a certain extent, development took the middle road, the road of convergence. The progression down this road was a response to the inner needs of each system, but the fact that both took the same direction indicates the presence of certain common motives and imperatives.

What are the reasons for this convergence? They consist, first, in the common social nature different societies

share and the common motives different people share and, second, in common—more or less similar—productive forces. The set of these circumstances predetermined the common nature of many social relationships in the capitalist and socialist societies.

The most important feature capitalism and socialism have in common is the conflicting interests of the citizens of these societies, which will probably exist as long as the world exists, and not just as long as class societies exist. The conflicting interests of participants in economic relations are the reason for the difficulties socialism experienced during the process of the transformation of property relations. It turned out to be much simpler to declare the conversion of private property into public property than to actually accomplish it. Property can only be public in the full sense of the term when all members of the society have equal opportunities to exercise the right to own and use it. Mankind has never seen any effective mechanisms of this kind. Almost every reference to public ownership is actually a reference to state ownership. It is far from identical to public ownership. After all, the rights of members of society to property are not equal because of their different positions in the hierarchy of public administration. As a result, some people seem to own the property more than others. The only way that citizens can exercise their right to state property becomes participation in the democratic political process.

The declaration of public ownership of property does not automatically eliminate the alienation of the immediate producers. This alienation comes into being whenever they do not have all of the rights to the product they produce. With public ownership, this is exactly the case: The product is the property of the association of producers (the society), and not of its immediate producer.

In theory, the society determines the share of the product owned by the immediate producers with a view to the public interest (we will overlook the fact that the function is actually not performed by the society, but by delegated individuals or agencies, which change the situation fundamentally in some respects). It is understandable that the immediate producers (individuals and groups) in capitalist and in "public" factories, plants, establishments, and so forth have no interest in producing the part of the product they will not appropriate—i.e., the product for society. It is precisely the lack of the hypothetical united interests of citizens in the socialist society that gives rise to the need for expenditures to persuade individual workers and groups of workers to produce products in amounts exceeding their own share. Consequently, expenditures on the encouragement of effective work are still necessary even under socialism. Furthermore, because of the more pronounced centralization of economic activity, these expenditures might even be higher. The only intelligent solution is decentralization, the elimination of the alienation of producers from property by giving them part of the rights to it—or, in other words, by making it private property. There is nothing capitalistic or exploitative in

private ownership based on one's own labor. Incidentally, the idea that public (or state) ownership is incompatible with exploitation is contrary to the facts. When so-called public property does not eliminate differences in the right to own and use it, it is private in the economic sense, if not in the legal sense. Therefore, it does not exclude the possibility of exploitative relations.

The potential of planning as a means of saving expenditures on the disclosure of public needs and the coordination of economic activity has also been exaggerated. Excessive expectations were based on the belief that the relationship of people to their labor and the products of their labor would become "crystal-clear in production and in distribution" in the socialist society.<sup>1</sup>

The idea of "crystal-clear" production relations in the socialist society and the idea that the law of value would cease to operate were false for the following reasons. First of all, the continued existence of conflicting interests under socialism means that the producer has no interest in providing the "head entrepreneur," personifying the society as a whole, with complete information about his production potential. He deliberately misrepresents his position: For instance, data on capacities are understated, and data on past or future expenditures and on production requirements are overstated. The concealment of potential production capacities and the exaggeration of expenses are particularly common under the conditions of monopolization, when the directive agency simply does not have the facilities for comparisons of relative effectiveness. By definition, socialism is distinguished by monopolization (or centralization) on an incomparably broader scale than capitalism.

Second, effective planning presupposes not only the satisfaction of current demand through the optimal use of production potential, but also the regulation of proportions for the future, the prevention of possible shortages, etc. This kind of foresight, however, requires the "head entrepreneur" to have a special talent for prediction. He must be able to foresee the general development of the economic situation and prospects for the improvement of equipment and technology and the appearance of new production units and products. Planning consumer demand presents a special problem because it is so varied that it would be almost impossible to anticipate fluctuations. This means that the actual needs of the socialist society are no more predictable than those of the capitalist society.

Finally, the practice of establishing economic relations between individuals through the "head entrepreneur" wherever direct ties are possible and desirable is always accompanied by the loss or distortion of the information conveyed, as in the "telephone game." The "head entrepreneur" tries to economize on his own strength and resources by enlarging the structures under his control whenever possible and strives for maximum uniformity in economic affairs, because this reduces the flow of information conveyed to him and simplifies decision-making. In the absence of a feedback mechanism, there

is the real danger of ignoring the interests of the immediate producers and the consumers.

The increasing differentiation and complication of economic relationships, the stronger interaction of branches and production units, the larger variety of manufactured items, and the increasing tendency for products to cease to be the result of the labor of an individual producer and to become the combined result of collective labor weakens planning potential. Consequently, the very development of production necessitates changes in the mechanism of its coordination and regulation.

Therefore, planning, at least in the form in which it was practiced in the socialist countries until recently, did not allow for the direct and immediate assessment, bypassing the market, of the correspondence of the labor expended by the masses to socially necessary labor. The law of value continued to work, even though all types of obstacles were erected in its way, and even though self-regulating mechanisms were impeded and inhibited.

The political system in the socialist society does not meet the needs of harmonious social development either. It was either based on the premise of the totally united interests of all the members of society or simply ignored their differences. The assumption that each individual had to reproduce himself by means of work directly for the society, which was, in turn, supposed to see to his care and comfort, naturally gave rise to the idea of subordinating the interests of each individual to the interests of the society. In this connection, we should recall that there were plans at one time to collectivize manpower as well as the means of production. The elimination of private ownership of capital was supposed to be accompanied by the elimination of private ownership of manpower. The latter meant that the worker was supposed to submit unconditionally to the commands of the "head entrepreneur" in matters of job placement, working conditions, and wages. To put it more precisely, the worker would have no right to choose. The creation of labor armies would have led (and, in those places where they existed, even if only for a short time, actually did lead) to the virtual loss of the worker's right to make his own decisions about his labor and, consequently, to make his own decisions about himself. Under these conditions, political rights and liberties were out of the question. The erosion of the direct collectivization of manpower in the socialist countries was inevitable. It was logical that the issue of the political rights of citizens became increasingly relevant during this process. Besides this, it is more obvious now than ever before that the socialist society is not distinguished by an automatic community of interests and therefore needs as much positive political pluralism as the capitalist society.

The economic and political reforms of recent years in the socialist countries are coordinating the image of socialism with the needs dictated by the present state of productive forces and level of public awareness. These reforms are not necessarily indications of a progression toward capitalism. Not all of the forms of economic and



political relations in the capitalist society are capitalistic by their nature. The market, competition, value, prices, money, and many other economic phenomena as well as superstructural concepts like democracy, pluralism, civil rights and liberties, and others were not invented by capitalism, and it does not even have a monopoly on them.

Contemporary capitalism has also become quite different in many respects, retaining only a few of its "classic" features.

First of all, development is no longer determined by the interests of a single class, but is to some extent the product of a social compromise by all classes and social groups. This became possible after the capitalist society ceased to be a society in which the laboring masses had no political rights. The endowment of all citizens with equal voting rights and other political freedoms gave the laboring public another extremely powerful instrument of struggle for its economic and political interests.

Second, property relations underwent significant changes: The masses are much less alienated from property. The ownership of the largest (joint stock) enterprises, for example, is of a private-collective nature. The ownership of the real (physical) assets in joint stock companies is collective, while the stock is privately owned. Furthermore, some of the shareholders are workers. Profit-and capital-sharing programs for workers have become quite common. In connection with the increased involvement of the laboring public in the political process, government property has ceased to be the property of the capitalist class, at least in part, and has become the common property of all citizens (with certain provisos, which are usually necessary in definitions of public property). Private property has also been collectivized by sweeping legislation regulating property taxes and the rights of property owners.<sup>2</sup> The principles of progressive taxation and the invalidation of inheritance rights (in the form of the inheritance tax), which were defined as communist principles by the founders of Marxism, have been partially implemented. Regulation has resulted in the centralization of credit, transportation, and many other major spheres of national production, and this is also considered to be a socialist feature. The members of society in many countries have achieved a high level of social protection.

Third, the capitalist market has also changed in many ways. The idea that capitalists conduct production operations blindly, by means of guesswork, with no real knowledge of public demand or of the actions of competitors within the country, not to mention the possible behavior of foreign competitors, might have been accurate at one time. Now, however, before a businessman decides to produce anything, he conducts the most thorough and scrupulous analysis of all available information, assesses sales prospects, and so forth. In other words, he plans production. This planning is not confined to the factory, but goes far beyond its walls. After all, if the capitalist arranges for guaranteed sales and

signs contracts before he begins producing something, the planning concerns several groups of capital from the very beginning. In this way, job orders and direct ties serve as the basis for a special type of planning—planning from below—in the capitalist society. It grows out of the interest of economic agents and then establishes stronger and more balanced connections between economic structures, and on the basis of information which simply cannot be gathered and adequately assessed by the "head entrepreneur."

Finally, the increased involvement of government in economic processes has turned it into the "head entrepreneur," without usurping the right of other economic agents to make decisions, but primarily setting the rules of their behavior.

Therefore, the search for the optimal correlation of private and public interests, of coercion and encouragement, and of centralization and decentralization is increasingly likely to lead in the same direction in the capitalist and socialist societies. Capitalism is becoming more and more "socialized," and socialism is becoming "individualized"—i.e., it is realizing that the interests of the individual and the society are not identical, with all of the ensuing consequences.

Trying to predict the characteristics of the future society would be a futile pursuit. There is no need to prove, however, that it will inherit some of the features of the contemporary industrial civilization. Capitalism and socialism are moving in this direction simultaneously and together, although they started from different places and are probably moving at different speeds. This approach might seem pessimistic to the advocates of "true" Marxism, because it suggests that the road to the new society does not necessarily pass through socialism. The fact that the developed world as a whole, and not just some parts of it, is moving toward a new and more harmonious society, however, should arouse optimistic feelings.

The world has entered a new phase of the development of integrity, distinguished in part by more active cooperation between countries belonging to different social systems. The stronger unity of their political, economic, social, and other structures is inevitable: After all, interaction presupposes a certain degree of compatibility and a certain number of points of contact. Therefore, the tendency toward convergence will probably grow stronger in the near future. I do not want to be misunderstood. The convergence of socialism with transformed capitalism might be an objective process, but it can be controlled. For socialism, it presupposes not blind emulation or imitation, but the assimilation of world experience—of course, to the degree that it is compatible with the preservation and reinforcement of socialist and common human values. Convergence, at least in the form in which I see it, is a process of consistent progression, and not regression, for socialism. In any case, convergence is an objective and unavoidable process. It

can be artificially accelerated or decelerated, but no one can stop it. h4

Footnotes

1. K. Marx and F. Engels, "Works," vol 23, p 89.

2. Although A. Salmin's description of the evolution of private ownership is accurate in general, he did make a few errors. It is not true that property "remains private" but property rights cease to be "sacred." It would be more accurate to say that the right to own private property is still sacred, but its private nature is disappearing.

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"Mirovaya ekonomika i mezhdunarodnyye  
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**Perestroika and Soviet Economy's Need for  
External Financing**

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MEZHDUNARODNYYE OTNOSHENIYA in Russian  
No 3, Mar 90 (signed to press 16 Feb 90) pp 26-37

[Article by Vladimir Viktorovich Popov, candidate of economic sciences and senior scientific associate at Institute of U.S. and Canadian Studies, USSR Academy of Sciences; passages in boldface as published]

[Text] The idea of borrowing more money on the international credit market to finance immediate economic needs arising during the course of perestroika has relentless allies and equally relentless opponents. Some economists (N. Shmelev) believe that foreign loans can help in securing an increase in imports of consumer goods for the purpose of relieving the hazardous tension in the consumer market.<sup>1</sup> Others (S. Shatalin) feel that it would be better to use foreign credit to import equipment for the production of consumer goods. Then it would be easier to pay off creditors.<sup>2</sup>

The opponents of larger foreign loans say that living on credit is dangerous, that the USSR's international debts are already too big, and that their further growth could jeopardize our solvency. For this reason, a larger supply of consumer goods should not be secured by increased imports on credit, but by changes in the structure of national income (the augmentation of the consumption fund by reducing accumulations) and imports (the augmentation of imports of consumer goods by reducing imports of investment goods). It is interesting that the opponents of larger foreign loans include proponents of the market economy and radical economic reform (L. Abalkin, A. Aganbegyan, and O. Latsis)<sup>3</sup> and their critics (M. Antonov and R. Kosolapov).<sup>4</sup>

The government is also actually opposed to new large foreign credits: Its program of economic recovery is based on plans for the regrouping of internal resources—the reduction of military expenditures and investments in industrial construction to finance higher consumer spending.

The same differences in approaches to the foreign financing of Soviet economic development are also characteristic of specialists in the West. Most economists advise the use of credit on a broad scale (J. Vanus, P. Desai, W. Leontief, and E. Hewitt). Others do not agree, although for different reasons than our economists. In particular, researchers and politicians have suggested that the extension of Western credits to the USSR will weaken incentives for internal perestroika and allow the Soviet leadership to postpone the radical economic reform and, possibly, the planned cuts in defense spending.<sup>5</sup>

They are also saying that the flow of foreign capital into the USSR could weaken and nullify the financial restrictions that are so necessary to Soviet enterprises and the state today, that the imports of consumer goods financed by this capital will create serious competition for Soviet producers, and that this could, in addition to everything else, undermine the position of potential Soviet exporters.<sup>6</sup>

In short, the problem of foreign loans is arousing the interest of all sides, and it would probably not be an exaggeration to say that the scales and intensity of the arguments over this reflect the importance and urgency of the entire problem.

Do we need new large loans from abroad or not? Before giving a definite answer, we will try to estimate our economy's need for capital investment and expenditures on other immediate needs connected with perestroika.

**How Much Investment Do We Need?**

In comparison to other countries, the USSR has an extremely high indicator of proportional investment. In the United States, for example, net investments (gross investments minus amortization) were equivalent to around 6-7 percent of national income in the 1980s. The Soviet indicator—the proportion accounted for by total accumulations in national income (around 25 percent)—is not completely comparable to the American one because national income in the USSR does not include the service sector. Even if we calculate Soviet national income according to the Western method, however, proportional accumulations in the GNP will still be too high—around 20 percent, as compared to the 6-7 percent in the United States.

There are also differences in the indicators of accumulation rates in our country and others. In 1980-1985 the correlation of gross capital investments to the GDF was 15 percent on the average in the United States, 18-21 percent in Great Britain, the FRG, and France, and 30 percent in Japan, whereas the figure in the USSR in 1988 was 25 percent. Proportional gross investments, excluding housing construction, in the GDP were 11 percent in the United States, 14-16 percent in the main West European countries, 25 percent in Japan, and 21 percent in the USSR.



Furthermore, some Soviet economists believe that defects in official statistics (the calculation of turnover tax, the artificially deflated prices of crude resources and materials and artificially inflated prices of finished goods, etc.) have led to the underestimation of investment and accumulation figures. The real proportion accounted for by total accumulations in national income, they say, is around 40 percent, or approximately 30 percent in the Western method of calculation.<sup>7</sup>

It is also significant that CIA statistics cite similar figures. Incidentally, these are now the only estimates of separate components of the Soviet GNP in the postwar period. According to CIA data, the accumulation rate usually exceeded 30 percent in the 1970s and 1980s.<sup>8</sup>

Calculations of proportional personal and social consumption in national income and subsequent estimates of the amount of accumulations as the remainder produce similar results. In fact, total basic monetary income (the wages of workers and employees, the income of kolkhoz members, pensions, stipends, and grants), after the necessary adjustments,<sup>9</sup> amounted to around 400 billion rubles in 1987—i.e., approximately half of national income calculated according to the Western method.<sup>10</sup>

In other words, if military expenditures total 77 billion rubles, as the recent announcement said,<sup>11</sup> or around 10 percent of the national income generated in all branches, net investments might absorb up to 40 percent of national income. Many economists nevertheless believe that real expenditures on defense could be as high as 20 percent of national income (this agrees with the CIA estimate of 15-17 percent of the GNP), whereas investments are closer to 30 percent.

In any case, it turns out that we are spending an extremely high percentage of national income and GNP on investment—at least as high as in Japan or even higher. The effectiveness of these investments and the return on them, measured in terms of the growth rate of real consumption, are much lower, however, than in other Western countries.

Why are proportional investments so high and why are we using only slightly over 50 kopecks for consumption out of every ruble of generated national income while the correlation in other countries is much higher (85:100, for example, in the United States)? The concise answer would be the extremely ineffective and wasteful system of comprehensive directive planning still prevalent in our national economy. With iron-clad irreversibility, this system gives rise to numerous disparities because it is simply physically impossible to foresee, consider, and plan everything from above and to draw up plans to strike a balance between demand and the supply of millions of different items in such a way that the necessary items will be produced and delivered to the necessary place at the necessary time.

Because of these attempts to encompass the unencompassable, to regulate the living economic organism down

to the last little screw, and to force it into the Procrustean bed of inflexible plan assignments, the load of production capacities is too low because there is never "enough" raw material, or fuel, or manpower, or necessary equipment. According to official statistics, the load is approaching 90 percent, but alternative estimates put the indicator much lower—at best, a load of 70 percent on the average.

Losses in the form of surplus inventory are also tremendous. The system of centrally funded supply is capable of securing more or less timely deliveries for uninterrupted production only when stocks of crude resources, materials, finished products, and so forth represent a much higher percentage of total output than in the market economy. In Soviet industry, for example, the ratio of commodity stocks to the monthly sales volume was 2.4 in 1985, and in trade it was 3.6, whereas the indicators in the United States did not exceed 1.9 and 1.7 respectively even during periods of the most severe crises, accompanied by the rapid growth of inventory. In the first half of the 1980s investments in the augmentation of commodity stocks represented 6 percent of national income in the USSR and under 1 percent of national income in the United States.<sup>12</sup>

Total accumulations in our economy, inflated beyond all normal limits, naturally attest to the extremely low efficiency of the economic mechanism. In spite of the repeated statements from high-level rostrums that "we live as well as we work," our exceptionally high proportional investments offer conclusive proof that we live much worse than we work, that we are incapable of the sensible use of what we produce, that we still have an economy working primarily for itself instead of for the human being, and that, finally, as G. Popov said at the Congress of People's Deputies, our economic mechanism is like an automobile which is just burning fuel without going anywhere.<sup>13</sup> This is also confirmed by the fact that comparisons with other countries in terms of production volume are always more favorable than comparisons in terms of consumption volume.

The excessive investments which are now taking the lion's share of national income can and should be regarded not only as losses attesting to the regrettable inefficiency of the existing economic mechanism, but also as a colossal reserve, lying literally on the surface, for the augmentation of real income and real rates of economic growth. If we are able to redirect our economy into market channels and to reduce losses accordingly to the level of the average developed market economy, we will be able to increase total consumption by almost half without any additional investments whatsoever, with the same fixed capital, the same technology, and the same manpower we have now. What will this take? Only the better organization of work, the reduction of losses, and the ability to use what we produce more efficiently.

In other words, if the economic perestroika should be successful, we will not need the huge accumulation fund we have now, because we will be able to achieve the same

results and the same, or even higher, rates of increase in real consumption with the aid of smaller capital investments. This does not mean, however, that the need for financial resources will decrease in line with the successful perestroika of the economic mechanism, because there is an urgent need for larger capital and current expenditures in some spheres.

#### **Where We Should Invest Capital**

The need for larger capital investments and current expenditures during the course of economic perestroika is connected primarily with the need to rectify the state budget deficit, to spend more on social insurance, on the retraining of manpower, and on education and health care, and to finance additional investments for the replacement of obsolete and retired equipment in some branches and production units.

**Reduction of state budget deficit:** The emerging socialist market in which so much hope has been invested, certainly cannot function normally under the conditions of the present serious disorders in monetary circulation, disorders caused by the excessive augmentation of the total amount of money in circulation and by the use of the printing press to cover the budget deficit.

The USSR's state budget deficit increased from an average of 20 billion rubles a year in the first half of the 1980s to 120 billion in 1988—i.e., to 14 percent of the GNP. For the sake of comparison, the budget deficit in the United States does not exceed 3 percent of the GNP, and in the OECD countries it was 3-4 percent on the average in the 1980s. The situation is complicated by the fact that our deficit is usually covered not by loans from the population and enterprises (this does not increase the amount of money in circulation and is therefore non-inflationary), but by the issuance of new currency.

As a result, the gap between demand and supply is constantly growing, and a rise in prices cannot bridge the gap completely. The devaluation of the ruble actually takes two forms: 1) "classic" inflation, reflected in rising prices (the rate of rise is certainly higher than the 1 percent cited in official statistics, but was nevertheless not too high in 1989—around 5 or 6 percent); 2) the growth of "shortages"—i.e., the gap between supply and demand that is not covered by price increases.

The total devaluation of the ruble and reduction of its purchasing power as a result of inflation and the growing "shortages" is now probably approaching 10-15 percent, which is the critical point. Beyond this point the devaluation of the monetary unit has a cumulative effect—the purchasing power of money begins to decline simply because economic agents try to get rid of the devalued paper; money circulates more quickly and is devalued even more, and so forth.

Under these conditions, there are disorders in monetary circulation, and the government loses control of the economic situation. Economic levers such as prices, taxes, normatives, the interest rates on credit, and others

simply cease to work, because monetary income means nothing unless it is reinforced by the power to exchange it for goods. The hope of regulating economic affairs with the aid of economic incentives is discredited; there is an urge to return to inflexible plans and to centrally funded supply, etc. In short, to avoid sabotaging the very idea of the market economy, it will be absolutely essential to restore the stability of monetary circulation.

The plan for 1990 envisages the reduction of the deficit to 60 billion rubles, as compared to 92 billion in 1989. The amount of money to be issued is to be reduced to 10 billion rubles, as compared to 18 billion in 1989.<sup>14</sup> Obviously, these are steps in the right direction, but they are not decisive enough. Deferred consumer demand already amounts to 165 billion rubles, or one-third of the commodity turnover.

Under these conditions, the state should plan to remove surplus money from circulation instead of reducing the amount of money to be issued. The reduction of the latter, at best, will only slow down the already unavoidable collapse of the consumer market but will not stop this process. Besides this, the deficit is to be reduced primarily by means of sharp cuts in capital investments in production, which could give rise to major disparities, but we will discuss this later.

**Increased expenditures on social security:** There is hardly any need to prove that our system of social security is hopelessly outdated and cannot withstand the pressure that will be unavoidable during the transition to a market economy. This transition will naturally entail the transfer of resources from some sectors and regions to others, the bankruptcy and closure of enterprises, the need to retrain millions of workers, price increases, and the more uneven distribution of income.

To neutralize these unavoidable problems as much as possible, we will have to reorganize the entire system for the training and retraining of manpower, state unemployment compensation, income indexing, pension increases, aid to low-income families, etc. Obviously, this will necessitate substantial increases in budget expenditures, but if these mechanisms of social protection are not created, economic perestroika could cause the real income of large segments of the population to decline, and this would be inconsistent with socialist principles and unacceptable for political reasons.

**Increased expenditures on education and health:** Investments in education, in "human capital," are one of the most important factors of economic growth, perhaps even more important than investments in fixed capital. This is a well-known fact. Regrettably, another well-known fact is that we are far behind the leading Western countries in this area. In the 1950s the USSR spent 10 percent of national income on education—more than anywhere else in the world. Later, however, the indicator declined (which did not happen in a single developed country), and now we spend only 7 percent (the United States spends 12 percent). Even if we decide to increase

allocations immediately, we cannot expect a return on this investment for at least 10 years. If we continue postponing the increase in the belief that other things are more important, we will not have any workers or engineers with an education meeting today's requirements even 10 years from now.

Here is just one example to illustrate the problem. Only 9,000 (7 percent) of the 135,000 Soviet schools have a classroom equipped with computers. The plans to increase the output of school computers have never been fulfilled. In the last 3 years (1986-1988), only 63,000 personal computers have been produced for schools, or 60 percent of the planned figure.<sup>19</sup> If we continue to lag behind to this extent, there is no hope that all of our schools will have computers before the end of the century. This means that even in 2010 the new additions to the labor force will not all be versed in the "second literacy." When will all the people working in the national economy be able to use computers? In 2030?

We spend around 4 percent of our national income on public health care—less than all of the developed countries and many of the developing countries. We rank somewhere in the 70s on the list of 126 countries. Although an increase in per capita expenditures on public health care will not have as significant an impact on economic growth as larger investments in education, obvious humanitarian considerations will necessitate the modernization of the health care system soon. The maternity homes and pediatric hospitals in Central Asia with neither hot water nor sewer systems, the spread of AIDS, partly due to the lack of disposable syringes, and the incredibly high rate of infant mortality are all examples which speak for themselves.

**Increased investments for the replacement of worn equipment:** One of the paradoxes of the system of comprehensive directive planning is the obvious shortage of investments in some spheres in the presence of an overall investment surplus. In many branches, for example, the equipment is completely worn out and must be replaced, but is still being used in production. The withdrawal of fixed capital from industry is an extremely slow process—the rate of withdrawal in the 1980s was around 2-3 percent, whereas the figure in the American processing industry was 4-5 percent. As a result, a high percentage of all industrial investments (over three-fourths, as compared to less than one-half in the U.S. processing industry) is used for the augmentation of fixed capital instead of the replacement of worn equipment. In other words, it is used for the construction of new capacities and the expansion of existing ones.

The depreciation of fixed capital (the relationship of cumulative amortization to the gross value of fixed assets) in Soviet industry rose from 26 percent in 1970 to 30 percent in 1975, 36 percent in 1980, and 46 percent in 1988. In some branches the equipment is already so old that it is becoming dangerous to use: Railways, electrical power engineering, and ferrous metallurgy are now using obsolete and physically worn equipment which should

have been sent to the scrap heap long ago. In the petrochemical industry, almost one-third of all the equipment is older than its recommended service life, the service life of around 20 percent of the equipment in the automotive industry has expired, etc.<sup>19</sup>

In other spheres there is an acute need to increase investments precisely in the augmentation of fixed capital and the establishment of new capacities. These investments are needed, for example, for the construction of housing and elements of the social infrastructure, for conservation measures, for the development of some of the newest branches, etc.

Therefore, the Soviet economy as a whole is clearly suffering from "over-investment" or from excessive capital investments. At the same time, however, there is a need to redirect these investments and change the investment structure, which could necessitate an increase in investments in some cases, particularly in housing construction and the replacement of fixed productive assets.

#### Where the Money Will Come From

Total requirements for current and capital expenditures at the beginning of this decade were estimated at around 150-200 billion rubles, an amount equivalent to one-fifth or one-fourth of national income. Where will this money come from? Let us consider several options.

**Cuts in industrial investment:** This option seems more logical and natural at first in light of what was said about excessive accumulations, but this is not the case. Of course, several long-range investment projects, which are showy but useless or even harmful (such as, for example, the plans to redirect the flow of the northern rivers), or those which might not produce a return until the next century, must be halted without delay (this has already been done in part). The suspension of most of the other projects would be dangerous, however, because it could compound economic disparities in an already unbalanced economy. After all, the planned economy has its own laws, and if they are violated, it might be as vengeful as nature is when its laws are broken. In particular, one of these laws is the extremely high level of investment in the maintenance of modest economic growth, because this kind of economy is simply incapable of functioning without huge stocks and underloaded capacities. Another law is the accelerated development of the first subdivision, because the planned economy works more for itself than for the consumer.

If economic growth could only be secured for six decades by a higher accumulation rate than the one planned for the next few years, it is unlikely that a government or Supreme Soviet directive would be enough to change everything immediately. In view of the fact that group "A" displayed quicker growth than group "B" for decades, so that the percentage of total industrial production represented by the branches producing consumer goods decreased from 60 percent in 1928 to 25 percent in 1988, while the opposite (the quicker growth of group "B") occurred rarely, only in isolated years, and



never with a substantial difference—if all of this occurred precisely in this way, and not the reverse, is it realistic to plan a rate of increase in group "B" 13 times as high as in group "A" (6.7 percent and 0.5 percent respectively) for 1990?

In other words, anything can be planned, but some knowledge of the results is also necessary. It is not that difficult to predict results. The plan to redirect resources for the production of consumer goods can result only in shortages of the crude resources, materials, energy, and equipment used in the production of these goods, and the ultimate output will not be increased because the basic proportions of reproduction will have been violated. This will necessitate larger investments in the production of the means of production in order to eliminate bottlenecks.

The reduction of industrial capital investments can and must be the natural result of the transition to a market economy: It will occur automatically, because the market mechanism for the distribution of resources is more efficient than directive planning. The reason is that a normal market is distinguished by a higher capacity load and the reduction of surplus stocks.

The artificial acceleration of events to adjust the perestroika of the sectorial structure to meet the requirements of orders and instructions from above, and the attempt to plan all of the work that can and should be performed only by a smoothly operating market, however, will result only in failure. Premature decisions—made prior to the establishment of market relations—on the reorientation of the economy toward the consumer through the compulsory reduction of proportional accumulations in national income in favor of total consumption can disrupt existing economic ties without creating new ones and can lead to a complete lack of coordination and to chaos.

Regrettably, this possibility has already become a reality, because the plan for 1990 envisages cuts of 25 percent in state centralized industrial capital investments; reduced imports of some investment commodities, such as rolled ferrous metals; the reduction of the share of national income designated for productive accumulation by 2 percentage points (from 16 to 14 percent). In all, the sum of 15 billion rubles is to be transferred in just 1 year from industrial construction to housing construction and current consumption.<sup>17</sup> This means that more than 1 million construction workers (1 out of every 10) will have to change their place of employment and (or) their profession in a single year. Is this realistic? It appears that we plan to continue adhering strictly to the rules of our traditional directive game plan of distribution, although the new, perestroika version of this game plan presupposes the transfer of resources in the opposite direction (in comparison with the 1930s): from industry to agriculture, from heavy industry to light industry, and from military to civilian production. There is no question that this is being done with the best intentions. Without the

strong support of a market economy, however, the whole plan resembles a castle in the air.

**Higher prices on consumer goods:** This could help to balance the budget because it would reduce state food subsidies. It is naturally unacceptable for certain social and political reasons, however, and this was acknowledged by the government at the beginning of 1989, when it pledged not to raise the prices of the main food products in the next few years. Monetary reform and sizable tax increases are out of the question for the same reasons.

**Larger government loans in the domestic credit market:** This would certainly be useful and possible. The amount of publicly held state obligations is negligible—under 25 billion rubles (nine billion in loans dating back to the 1950s and 15 billion in bonds from the three-percent loan of 1982), and enterprises and organizations have not been bondholders until recently. New bond issues acquired by the population amounted to only 1 or 2 billion rubles in the last few years.<sup>18</sup>

In other words, if the state decides to raise the interest rate on deposits and obligations so that investors will be protected at least from the inflationary depreciation of their investments, the volume of monetary resources acquired through loans could be augmented considerably. This means that a high percentage of the now compulsory savings (compulsory because there is nothing to buy and the rate of interest on deposits is low) could turn into voluntary savings, earning a high rate of interest, and might even stimulate the growth of savings by reducing purchases of so-called accumulation goods, which could relieve the pressure on the consumer market.

In general, the expansion of domestic loans is certainly useful and necessary, because this would be a move toward normal market methods of mobilizing financial resources, but domestic loans will not change the overall amount of usable national income. They can only redistribute funds and do not provide any chance for a simultaneous increase in consumption and accumulation.

**Larger loans abroad:** This is the best option. Only the use of foreign credit can quickly provide us with the funds to neutralize the problems connected with the radical economic reform and take the economy through the difficult transition period without any substantial economic losses—i.e., without any substantial decline in the real standard of living of large segments of the population.

#### Can Foreign Loans Be Augmented?

Let us examine the need for foreign credit in the terms used in Western macroeconomics to describe the balance of savings and investments.<sup>19</sup> The balance is illustrated approximately in the table (I say approximately, because many of the necessary figures are lacking in our official statistics). This gives us an approximate idea of the relative amount of money (150-200 billion rubles) required to finance the immediate needs of the transition period.

**Savings and Investment in the Soviet Economy  
(1987, billions of dollars)**

<b>Savings</b>	198
Enterprise savings	172
Amortization	72
Profit remaining at disposal of enterprises and kolkhoses	100*
Citizens' savings	26
Increase in deposited savings	24
Public bond issues	2
<b>State budget deficit</b>	120**
Negative balance of payments (state revenues from foreign economic operations)	31***
<b>Non-centralized investments</b>	99
State enterprises	72**
Kolkhozes	15****
Population, in construction of own homes	3****
Change in inventory	(-1)

\* Estimated profits of state enterprises and kolkhozes after budget deductions, excluding payments from economic incentive fund and interest on loans.

\*\* 1988.

\*\*\* Projected figure for 1989. The projected figure for 1990 is 34 billion rubles.

\*\*\*\* In 1984 prices.

Calculated according to data in "Narodnoye khozyaystvo SSSR v 1987 godu" [USSR National Economy in 1987], Moscow, 1988. PRAVDA, 28 October 1988, IZVESTIYA, 21 January 1989, 26 September 1989.

On the surface, our balance of savings and investments resembles the present balance in the United States: The huge budget deficit absorbs up to half of all domestic savings. The difference, however, is that domestic savings in the Soviet Union (primarily the compulsory savings of enterprises) are so large that non-centralized capital investments could be financed without a sizable flow of capital from abroad, only through domestic sources, even with a relatively larger budget deficit than in the United States.

Strictly speaking, the USSR's negative balance of payments of 31 billion rubles (state income from foreign economic operations) is a statistical fiction. It consists mainly of differences in our prices on export and import goods (in comparison with world prices). Exports, consisting primarily of raw materials, are cheap in the domestic market, and imports—mainly finished goods—are expensive. For this reason, the state earns a sizable profit from the acquisition of domestic raw materials for export, their subsequent sale abroad, the use of these receipts to acquire finished goods abroad, and the subsequent sale of the finished goods in the domestic market. If these price disparities were to be eliminated by means of changes in domestic prices or the institution of the appropriate import duties, all or almost all of the foreign trade deficit would disappear. The reduction of subsidies for raw material branches or the increase in

revenues from the new import duties would compensate for the reduction of state revenues from foreign trade.

Therefore, in principle the Soviet Union could increase its trade deficit and finance it with foreign capital. If this is done, if a decision is made to expand imports of consumer goods, financed with the aid of foreign loans, real total consumption will increase as a result of the reduction of compulsory savings (the population will withdraw deposited savings to buy the imported consumer goods). Obviously, deposits in the USSR Savings Bank will be reduced, and this will limit its credits to other banks and states, but this will not necessarily mean a reduction of investments, because they can be financed by the increase in state revenues from sales of consumer goods.

In this way, the expansion of imports of consumer goods on foreign credit can kill two birds with one stone: It can eliminate compulsory private savings by finally satisfying the deferred consumer demand that has aroused so much discontent and increase real consumption and raise the real standard of living; it can also prevent the compulsory reduction of industrial investments because they can be financed by the higher state revenues from imports of consumer goods. The credit could also compensate for higher state expenditures on social security and shortages of equipment for schools and hospitals and for other social and production facilities. In general, the financing of imports with loans is certainly the easiest way of surmounting present and future imbalances in the national economy. The key question, however, concerns the degree to which we can increase our international indebtedness to pay for this increase in imports.

At the beginning of 1989, according to Western estimates, the USSR's gross indebtedness in hard currency was around 40 billion dollars, its net indebtedness (gross minus Soviet assets in hard currency in the West) was around 30 billion, its gold reserves were around 30 billion, and the relationship of debt service payments to export revenues in hard currency were just over 20 percent. Besides this, the Soviet Union is a creditor of developing and socialist countries. These are mainly credits in rubles, but if the ruble should become convertible, part of these credits could be used to repay debts to the West. Their dollar equivalent according to the official rate of exchange is 60-65 billion dollars.<sup>20</sup>

These figures differ considerably from the recently published official data of the State Committee of the USSR for Statistics (international indebtedness of 34 billion rubles, and a relationship of debt service payments (12 billion) to exports in hard currency (16 billion) reaching as high as 75 percent, but they are nevertheless accepted by most foreign experts. In the opinion of Soviet analysts, the high figures M. Kyzhkov cited at the USSR Congress of People's Deputies (in summer 1989) for the relationship of debt service payments to exports were the result of the inclusion of short-term indebtedness (according to traditional international procedure, it is excluded from these calculations).<sup>21</sup>



The total amount of international indebtedness—34 billion rubles at the beginning of 1989—turned out to include USSR indebtedness in transferable rubles (3.6 billion rubles) and in clearing agreements with Yugoslavia and Finland (1.6 billion rubles), whereas indebtedness in freely convertible currency amounts to only 28.1 billion rubles.<sup>22</sup> This is approximately equivalent to the Western estimates cited above in dollars. Most Western experts agree that the USSR could double its debt without jeopardizing its solvency.

Using the last figure as our basis, let us assume that we increase our net international debt from 30 billion to 60 billion dollars. Let us also assume that another 30 billion dollars in credit can be secured by our gold reserves. Is the total of 60 billion large or small? Unfortunately, it is already small, although just 5 years ago it would have been completely sufficient, and we could have borrowed more then because we were in a better position to qualify for credit.

Let us go back 5 years into the past, to 1985, when everything began. The market for consumer goods was relatively balanced, or at least much less unbalanced than it is today. The budget deficit was a fraction of what it is today. Net foreign indebtedness was only 15 billion dollars.<sup>23</sup> At that time there was every possibility of transferring the national economy to market channels without lowering the standard of living. The expenses of the transition period could have been covered by foreign loans with plenty to spare, and within 5-7 years perestroika would have begun to pay off, because an efficient market economy would have been operating at full speed and the inflated accumulation fund would have been reduced to a normal size.

Now all of the possibilities are quite different. In the last 5 years we have not taken any large steps in the direction of a market, and we are still only beginning, just as we were 5 years ago, to approach radical economic reform. Our basic position, however, is much worse: Our budget deficit, foreign debts, and deferred consumer demand have grown. Of course, some of the causes were objective: the drop in the world prices of oil and gas—our main exports, Chernobyl, and the earthquake in Armenia. Other causes, however, were not objective: obvious mistakes in the theory and practice of reform, unforgivable delays in the institution of agrarian and other reforms, the senseless campaign against alcohol, which deprived the budget of tens of billions of rubles in revenue—it would be impossible to list everything.

Today, unfortunately, it is already impossible to institute radical economic reform as easily and at such a minimal cost as 5 years ago. Even if we were to borrow 10 billion dollars a year in the 6 years we will need to start up the new market mechanism, we would not be able to cover all of the expenses of the transition period. Given the present correlation of domestic and world prices, 10 billion dollars, if we were to import consumer goods, could turn into roughly 100 billion rubles, and this would just barely cover the budget deficit and balance

the consumer market, but it would not be enough to finance broader social programs and increased investments in education, public health care, housing construction, etc. For this reason, something will have to be refused, something will have to be sacrificed, and we will still be torn between pension increases and residential construction.

Besides this, our ability to borrow money abroad is not what it was 5 years ago. The obvious lack of perceptible economic advances is undermining the confidence of Western creditors in us. After the miners' strikes in summer 1989, which proved that the government was losing the initiative on the economic front and could not react quickly enough to the almost uncontrollable developments in the country, Western bankers transferred us to the category of potentially unreliable borrowers, signifying perceptibly worse credit terms (higher interest rates).

This certainly does not mean, however, that we should not apply for credit abroad. On the contrary, the dramatic expansion of loans in the West combined with resolute and genuinely radical economic reform still constitutes our principal chance, and essentially our only chance, of accomplishing perestroika "with little bloodshed," with minimal economic losses. It is true that each year, and even each month, of delay reduces our chances of making this move. Today we can still borrow more than symbolic sums on preferential terms on the strength of our gold reserve, and probably on the strength of such tangible achievements as, for example, our radical agrarian reform (which will allow us, like China, to expand agricultural production dramatically and save currency on food imports). Tomorrow there will not be enough of this currency to rectify the situation in the food market even slightly.

It is easy to imagine what will happen if the best option—radical reform combined with larger foreign loans—should be shelved once again while we adhere to the plan for the transfer of resources from the accumulation fund to the consumption fund. Existing economic relationships will be broken, shortage of everything will become more acute, real income will decrease, the country will be engulfed by a wave of strikes, and the government will virtually lose control of the situation.

If this should happen, only imports on credit will postpone the total collapse of the economy, and there is no question that this method will be employed, but we will fall into the "Polish trap" when our international indebtedness grows to critical proportions after a few years of "living on credit." We will have no way of repaying debts, because we will still not have an efficient market economy. Our only remaining option will be the painful and agonizing transition to the market through a substantial reduction of the real income of large segments of the population, and this is certain to be accompanied by major social and political problems.

## Footnotes

1. IZVESTIYA, 9 June 1989.
2. PRAVDA, 4 May 1989.
3. MOSKOVSKIYE NOVOSTI, No 6, 1989, p 12; IZVESTIYA, 1 August 1989, 10 May 1989.
4. NASH SOVREMENNİK, No 8, 1989, pp 71-110; EKONOMICHESKIYE NAUKI, No 8, 1989, pp 69-79.
5. THE NEW YORK TIMES, 31 July 1989.
6. R.I. McKinnon, "The Order of Liberalization for Opening the Soviet Economy," Stanford University, 1989.
7. V. Selyunin, "Growth Rates Measured in Consumption" (SOTSIALISTICHESKAYA INDUSTRIYA, 5 January 1988).
8. "USSR: Measures of Economic Growth and Development, 1950-80," Washington, 1982, pp 76-78; "Gorbachev's Economic Plans," vol 1, Washington, 1987, p 16; "The Soviet Economy in 1988: Gorbachev Changes Course," 1989, pp 38-40.
9. Minus taxes, increases in deposits in savings accounts and the cost of state bonds sold to the public, plus non-monetary benefits from public consumption funds (free education and health care and state housing subsidies), plus state subsidies on consumer goods, excluding the tax on these goods.
10. MOSKOVSKIYE NOVOSTI, No 34, 1988, p 12.
11. PRAVDA, 11 June 1989.
12. N. Shmelev and V. Popov, "Na perelome: ekonomicheskaya perestroyka v SSSR" [At a Crossroads: Economic Perestroyka in the USSR], Moscow, 1989, pp 181-198, 117-178.
13. IZVESTIYA, 11 June 1989.
14. Ibid., 26 September 1989.
15. PRAVDA, 13 May 1989.
16. Shmelev and Popov, Op. cit., pp 192-193.
17. IZVESTIYA, 26 September 1989.
18. PRAVDA, 28 October 1988; DENGII I KREDIT, No 7, 1988, p 7; "Narodnoye khozyaystvo SSSR v 1987 godu," p 587.
19. Gross savings—the sum of the personal savings of citizens and business savings (amortization plus undistributed profits)—are equivalent to private gross investment minus the budget deficit plus the current balance of payments. In other words, this is the rule in any economy:  $S = I - BB + BP$ , where S stands for savings, I stands for investment, BB stands for budget balance, and BP stands for balance of payments. The rule remains in force if the indicators of net savings and net investments

(i.e., gross minus amortization) are used instead of gross savings and gross investments. The economic implications of the rule are that savings must be large enough to cover investments, the budget deficit, and the export of capital; by the same token, investments can be covered only by savings, a positive budget balance, and a flow of capital from abroad.

20. THE NEW YORK TIMES, 31 July 1989; "The Soviet Economy in 1988: Gorbachev Changes Course" p 44; FINANCIAL MARKET TRENDS, February 1989, pp 24, 30.

21. IZVESTIYA, 10, 20 June 1989.

22. PRAVITELSTVENNYY VESTNIK, No 19, 1989, p 9.

23. The increase in our indebtedness in dollars between 1985 and 1989 was largely a result of the declining exchange rate of the dollar, because most of the credit was extended to us in West European currencies and yen.

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### Foreign Economic Ties of USSR Agroindustrial Complex: Need for Perestroyka

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[Text] Today there is no reason to talk about the different forms and geographic locations of the foreign economic contacts of our agroindustrial complex (AIC). They consist primarily in foreign food purchases, which began in the first half of the 1970s and were financed by exports of oil. The oil-ruble euphoria is now a thing of the past. Food imports, however, have multiplied and still serve as a way of "patching up" the holes in the domestic market. Food represents around 20 percent of all Soviet imports. This is an exceptionally high figure. No other such figure exists in any of the developed countries or most of the Third World states. Foreign purchases put an excessive burden on the country's economy. More than 5 billion (i.e., one-third) of the anticipated 16 billion rubles in foreign currency receipts in 1989 will be used to pay for imported grain and foodstuffs.<sup>1</sup>

Nevertheless, the pressure in the domestic food market is so intense, and our dependence on foreign purchases is so strong, that no "simple" solutions to the food import problem by means of reducing imports of various agricultural products are possible. On the one hand, the

structure of imports requires radical reorganization to turn it into one of the important instruments for the elimination of disparities in the national food complex and the improvement of the national diet. On the other hand, there is the extensive use of all of the forms of foreign economic ties developed by the world community. All of this is inseparable from the engineering of a policy on food imports, which is essentially lacking today. Without this policy, it will be virtually impossible to conduct an effective agrarian policy in general and to attain specific objectives in the national food market.

### Paradoxes of Imports

What do we import and why? Here is how L.I. Brezhnev answered the question at the CPSU Central Committee plenum in May 1982, when the Food Program was approved: "In recent years, specifically because of crop failures, we have had to buy grain, meat, and several other products abroad. This was done in the public interest. We have no intention of giving up the advantages of foreign trade as a way of supplementing our food resources in the future—with a view, of course, to economic expediency."<sup>2</sup>

This implies that we import food because our climate is unsuitable. It implies that the purchases are economically justified and that we will continue to import food, and we will certainly be doing this for the good of the people. The friendly choir of interpreters of the Food Program explained, in the simplest terms, to those who had never dreamed that food was being imported solely for their sake, that the welfare of the Soviet people was constantly being enhanced and their diet was being improved through the consumption of larger quantities of animal husbandry products, the production of which is known to require fodder grain and high-protein feeds. This is why the state had to buy them overseas. As for the population's need for bread and baked goods, it was satisfied, as the State Committee for Statistics assured us, completely by means of domestic production.

This implies that all of us are to blame for the fact that our country became a major importer of foodstuffs "on a broad scale and for a long time." If we had simply eaten bread and noodles, everything would have been fine and we would not have needed to buy anything abroad. As soon as we began consuming more meat, milk, and eggs, the need to import food suddenly arose. The agencies which took pains to substantiate the need for currency allocations for foreign purchases instead of planning the development of the national food complex, on the other hand, were not at all to blame.

Yes, it is true that, according to the data of the USSR State Committee for Statistics, we began consuming more meat and dairy products in the 1980s than in the previous decade, but these were **meat and dairy products**, for which we have all of the necessary conditions to augment output, and not bananas and pineapples. After all, we have 1.3 hectares of pasture and 0.8 hectares of plowland per capita instead of Western Europe's 0.18

and 0.25 hectares and the United States' 1.0 and 0.8 hectares. Nevertheless, they export, while we import—and not only fodder grain, but also much more.

Our expenditures on imported grain increased 3.2-fold between 1972 and 1988, including a 3.4-fold increase in wheat, 9.2-fold in meat and dairy products, 7.4-fold in vegetable oil, 14.1-fold in raw sugar, and 43.8-fold in butter!<sup>3</sup> Translated into the language of the dependence of our consumption on imports, this means that one out of every two kilograms of sugar, one out of every three kilograms of vegetable oil, one out of every three bread rolls, and every other package of noodles is purchased abroad or is made with imported raw materials.<sup>4</sup>

All of these are products which should be produced in our country. They account for more than 70 percent of all USSR food imports. According to any economist, this situation is absolutely contrary to common sense. After all, in most of the countries of the world, a clear distinction is drawn between imported goods which do and do not compete with domestic goods. States everywhere strive to regulate imports of competing goods (through quotas, tariffs, and non-tariff methods) and encourage the development of domestic production. It was this kind of purposeful food import policy that turned the importing EC countries into the second largest exporter of grain in the world in such a short time. We, on the other hand, have essentially been investing billions in foreign currency for many years to support Western farmers, ignoring the production needs of our own agrarian sector. There is no more of the foreign currency, for example, to buy the small agricultural tools that are needed so much by the tenant farmers who could supply us with additional food today.

The structure of the AIC's imports reflects the disparities in the complex itself. We import mainly the agricultural raw materials (grain, raw sugar, and oil-bearing seeds) which our agriculture already produces. We spend only one-third or one-fourth as much on imports of the means of production and equipment for agriculture and for processing and storage. Foreign purchases of agricultural raw materials amount to as much as 50 million tons a year, with grain representing 30 or 40 million. All of this has to be stored and processed. This is not easy given our extremely outdated storage and processing base. The only solution is to process the imported raw materials in a high percentage of the processing capacities of our AIC while causing conditions to deteriorate in the storage and processing of domestic products. This means that the unacceptable losses of the domestic agricultural products each year are largely a direct result of the overloading of the AIC production structure with millions of rubles' worth of imported agricultural raw materials. These imports certainly do not help in eliminating disparities in the development of our AIC. In fact, they can make them more pronounced.

The prevalence of agricultural raw materials in the import structure is also simply indefensible from the financial standpoint. Given the present imbalances in



feed rations, due to the excessively high expenditures on the production of a unit of animal husbandry products (1.5-2 times as high as in the United States) and the present level of purchase prices, the return on imports of fodder grain is essentially negative. For example, 1 dollar spent to purchase and import American corn for use in hog breeding produces a final product worth 1.5-2 rubles in state retail prices. If we include the subsidies from the state treasury, this is a net loss of 2-2.5 rubles per kilogram of pork. It is completely obvious that the use of foreign currency in this way is inconsistent with the attempts to balance the domestic consumer market and can only intensify inflationary tendencies.

At the same time, we are making every effort to economize on imports of a broad group of foods we cannot produce ourselves. Many of them can contribute much more to the budget. For example, a dollar spent on imports of bananas, lemons, and coffee provides the state with 3 rubles, 5.5-6.6 rubles, and 7-8 rubles respectively, and this does much more to rectify the difficulties in our market and the financial sphere than imports of grain. Another aspect of the problem, directly related to human health, is also important.

In spite of the severe shortages in the food market, our population is consuming more and more fat. Around 30 percent of our people are overweight, and this is a serious risk factor in atherosclerosis, ischemic heart disease, and cancer. Vitamin deficiencies, especially in winter, can reach 70 percent. This is particularly dangerous for children, who pay for these deficiencies with poor eyesight, caries, diathesis, rickets, and other disorders. This means that we are importing agricultural raw material to augment the production of the animal fat that undermines our health. Products needed for good health are regarded as insignificant at best.

In all of the developed countries, however, imported foods are one of the main ways of balancing the population's diet. Citrus fruit consumption in, for example, the FRG, Sweden, and Canada (i.e., in the countries where this fruit is not grown), ranges from 21 to 28 kilograms a year per capita, as compared to 2 kilograms in our country. Our per capita consumption of other tropical fruits is 200 grams a year, whereas "they" consume from 50 to 60 times as much. Of course, these are average figures. Because of the peculiarities of the distribution of imported goods in our country, the children in many regions have only seen oranges, bananas, and pineapples in pictures. Most of our consumers have never even heard of many of the vegetables and fruits available to the average consumer in the Western countries (avocados, kiwis, and papayas).

Is our domestic consumer not as good as they are? Would he not want to improve and diversify his diet? And how! The data of the All-Union Marketing and Demand Research Institute indicate that our countrymen's dietary preferences are "ranked" perfectly. Above all, they want to eat most of the items making up the healthy diet: 63 percent of the surveyed families wanted more

fruit, 57 percent wanted more fish and yoghurt, the next items on the list of preferences were cheese, fruit juices, sausage, vegetables, vegetable juices, poultry, and canned fruit, and all of these were higher on the list than meat (34 percent).

We should say a few words about exports. Our exports of food are negligible, but our sales of the means of production used in the AIC are fairly sizable. These are mainly mineral fertilizers and fuel and lubricants. The reason we are selling these products, however, is not that we have a surplus. The agricultural equipment on many kolkhozes and sovkhozes cannot be used because of the shortage of fuel. The result is millions in losses and incomplete harvests. On the average, our fields are treated with only 40 percent of the recommended amount of mineral fertilizer, but we export millions of tons. Calculations indicate that if the mineral fertilizer we export were to be used on our grain fields, we could grow 4.5 times as much wheat on them as we can buy now with the foreign currency receipts from fertilizer exports.<sup>5</sup> We lose around 30 million tons of grain each year because the harvest takes too long, primarily as a result of the fuel shortage.

These exports are in the nature of "sacrifices" and are closely connected with our imports of food. We sell products because we do not have enough foreign currency to pay for imported agricultural products, but the material and technical conditions for the augmentation of domestic output are constantly undermined by our exports of the necessary items.

Therefore, the current structure of the AIC's foreign operations is absolutely inconsistent with the need to heighten the effectiveness of agricultural production and processing and to improve the diet of the Soviet people. It is completely obvious that any kind of effective participation by our AIC in international division of labor is out of the question today. The reliance on imports as a means of augmenting our food supply has made us exceptionally dependent on foreign deliveries, especially deliveries of grain. Here no one can blame anything on changes in diet as a result of increased prosperity. The reasons are completely different and are directly related to the departmental interest in imports, which aggravated problems in grain farming in our country for a long time.

#### Wheat Hostages

In the 1980s our country imported around 18 million tons of wheat a year. This was equivalent to one-fifth of all world imports of wheat. This immediately makes us wonder whether conditions in grain farming were so erratic that we were forced to import wheat on such a massive scale. No, this was not the fault of climatic vagaries. Even during drought years when there are crop failures, we harvest 70-75 million tons of wheat, and in an ordinary year we harvest at least 80-85 million tons. The United States, for example, harvests 55-60 million

tons (and only 49 million in 1988, when there was a poor crop), and the EC countries combined harvest 70-75 million tons.

Furthermore, per capita grain consumption amounts to around 130 kilograms a year, and this requires only around 38 million tons of wheat a year.

What is going on? The fact is that more and more of the wheat we grow is unfit to eat. This is happening in a country which once prided itself on its wheat. "Our durum wheats have a particularly good reputation," renowned economist and geographer V. Den wrote in the 1920s. "They have no equal in the world and they are the pride of Russian agriculture. The reasons for this high quality are the exceptionally favorable soil and climatic conditions of wheat farming in our country."<sup>8</sup> The Russian strains are the ones lying at the basis of Canadian and American wheats. As recently as the 1960s our export wheat was highly appreciated in the world market.

All of this was over when grain began to be imported regularly and on a massive scale—with a view, of course, to "economic expediency."

Administrators quickly acquired a taste for imports. They opened a "window" to Europe and America for some, they gave others a chance to quietly produce wheat unsuitable for use in bread, and they gave still others an opportunity to win prizes and awards for the fulfillment and overfulfillment of plan assignments for the processing of imported grain. The whole thing reached the point at which the Ministry of Grain Products was producing almost a million tons more flour a year than it was capable of using in the 1980s. How did this happen? "The output of flour," former USSR Minister of Grain Products A. Budyka complained, "is set for us by Gosplan, but it is distributed by the Ministry of Trade."<sup>9</sup>

In short, imports immediately allowed our official agencies to enjoy a carefree existence. Gosplan could plan how much flour had to be produced and how much grain had to be imported for this purpose; the State Agroindustrial Committee could pass mediocre products off as high-quality products; the Ministry of Grain Products could pay no attention to this and stop trying to organize the effective processing and storage of domestic grain (what for, as long as there was "overseas aid"? ) and could simply process the grain into flour, including surplus flour; Eksportkholeb could effectively become "Importkholeb," signing contracts for grain purchases with American, West European, Argentine, and Australian grain companies instead of its own kolkhozes and sovkhozes and blaming this on assignments received "from above." Everything was done by the book. There was no point in going to extremes.

The smooth operation of this expertly fashioned departmental chain required a planned—in other words, stable—basis for foreign purchases. The solution was quite simple: long-term intergovernmental agreements on grain purchases—first with the United States and then

with Canada, Argentina.... This actually meant that the Soviet Union was taking on specific obligations to import grain (around 15-20 million tons a year in the 1980s) regardless of the state of affairs in grain farming and in the economy as a whole. Agreements of this kind let our suppliers know in advance that the USSR would continue to be a major importer in the future. This information was genuinely invaluable to Western grain companies, especially when demand exceeded the supply in the world market. Our bureaucrats also knew in advance that grain would be delivered whether the crop failed or not.

All of this was packaged as the "guaranteed augmentation of the national food supply through outside sources." We will not try to analyze the consequences of the U.S. administration's partial embargo on shipments of grain to the USSR in 1980, which was instituted in spite of the existence of a grain agreement and which seriously complicated currency and domestic economic conditions in our country and let us know how dependent we were on imports. The main thing was that the regular imports of grain in huge quantities alleviated departmental problems in the production, procurement, and processing of domestic grain but also created the necessary conditions for the stagnation and decline of the production of high-quality grain and the perpetuation of imbalances in economic relations between procurers and producers.

The growth of imports was followed by the reduction of domestic procurements of wheat suitable for food production. In the second half of the 1960s (i.e., prior to the beginning of large-scale imports), domestic procurements amounted to 41 million tons of bakery wheat, but in the 1970s the figure was 36 million tons, and in the 1980s it had already fallen to only 24 million tons. Domestic purchases of durum wheat declined even more dramatically: The annual figure was 3 million tons from 1966 to 1970, 2 million in the 1970s, and 1.1 million in the 1980s.<sup>10</sup> Furthermore, the quality of durum wheat declined perceptibly. In recent years just over half of the durum wheat turned over to the state has met the highest quality requirements.

A vicious circle came into being. The augmentation of imports, which continued until the middle of the 1980s, made it possible to pay less and less attention to the qualitative aspects of grain production, and the reduction of bakery wheat procurements provides convincing proof of this. This made imports more and more necessary. As a result, official agencies could justify the organization of imports with the kind of sociopolitical arguments that would probably have been extremely difficult for any political leader to contradict. After all, the abrupt curtailment of outside purchases would immediately jeopardize the public supply of bread, especially in large industrial centers. In this way, we allowed ourselves to become the hostages of our official agencies without ever suspecting that we were doing this. By organizing the shipment and processing of imported



grain, these agencies turned into something just short of our benefactors, but, obviously, at our expense, and the cost was rising.

We still have strong strains of wheat and even durum wheat on our farms, however, and most of this grain is fed to the livestock. The quantity is not meager: from 13 million to 16 million tons of highly valuable strong varieties of wheat and from 1.3 million to 1.5 million tons of durum wheat—i.e., quantities virtually coinciding with our imports. This not only means that we are effectively wasting our bakery wheat on livestock and then paying for more wheat with foreign currency; it is also inflating the overhead costs of animal husbandry.

We should not be in a hurry to blame our kolkhozes and sovkhozes for this. It is simply that they have had to function in the kind of hall of crooked mirrors in which the abnormal looks completely normal. For example, after selling grain to monopolist procurers, the agricultural enterprises have to pay 1.5-2 times as much for the mixed feeds they acquire from the same monopolists.

Nothing like this happens in any developed economy. In the United States, for example, much of the fodder (around 40 percent) is prepared directly on the farm. There are around 1,500 firms in the commercial feed production sector, and the largest (Ralston Purina) accounts for only 5 percent of all the fodder produced.<sup>9</sup> The existence of so many firms and the widespread production of concentrated feeds on farms eliminate the possibility of the monopoly price manipulations practiced in our country. In recent years the price of bakery wheat was approximately one and a half times as high as the average price of concentrated feeds. Furthermore, it is common everywhere to distinguish between bakery wheat and fodder wheat, which costs less. In our country the pricing system pays a higher price to a farm producing weak and soft varieties of wheat (in, for example, the Moscow suburbs) than to a farm which produces high-quality bakery wheat but is located in a zone with more favorable natural conditions. In other words, prices are based not on the value of the item to the consumer, but on its value to the producer. Prices are higher wherever overhead costs are higher.

To some extent, the USSR's position as a buyer of grain was improved by the drop in world prices in the middle of 1988. Furthermore, the dramatic intensification of competition between grain exporters at that time caused our trade partners to offer us sizable discounts, especially the United States and the EC. In the last 2 years the average discount on American wheat was 35 dollars a ton, or 25-30 percent of the export price.<sup>10</sup> Events even reached the point at which the French minister of agriculture accused the United States of helping the Russians build up their nuclear potential! Of course, people will say anything when a stronger competitor begins to crowd them out of an appealing market, but according to this line of reasoning, the EC, which offers export subsidies in sales and meat and dairy products as

well as grain, has invested at least as much as the United States in the "reinforcement" of our defensive capabilities.

All of this is almost over now. On the one hand, the abrupt reduction of world export resources as a result of droughts in the United States and Canada in the second half of 1988 changed market conditions, and not in our favor. The prices of grain, especially wheat, went up. In 1988 grain prices were 125-130 dollars a ton, but now they are around 170 dollars a ton. This is the price for ordinary baking wheat. Canadian high-quality durum wheat costs 30 percent more on the average. On the other hand, during multilateral talks within the GATT framework, a fundamental agreement was reached on the suspension and subsequent elimination of agricultural export subsidies. For this reason, discounts are still being offered, but not in the earlier amounts and not as readily. Only the intervention of U.S. President Bush allowed us to get the discounts in May 1989 when we bought our latest shipment of American wheat. The discount was only 8.5 dollars a ton.

The situation with regard to food imports is becoming particularly serious in view of our extremely precarious foreign economic position. No increase in export receipts is anticipated in the near future. There are physical limits on traditional export goods (energy resources and gold), and it will take a long time before we can arrange for any substantial exports of finished products to the Western countries.

This is the reason for the need for immediate measures to reduce the imports of agricultural products which have fostered our dependent attitudes. We have sunk too far into the pit of foreign dependence. Resolutions calling for "improvement," "perfection," or "enhanced effectiveness" (implying that everything is fine in general, almost perfect, and even effective, and only needs the slightest bit of enhancement) cannot be expected to have any appreciable impact today.

#### Foreign Economic Ties and Current Agrarian Policy

Blaming all of the deadlocks and reversals in foreign economic ties exclusively on our foreign trade establishments, as some journalists do, is fundamentally wrong. This turn of events was predetermined in the first half of the 1970s by the entire system of authoritarian control, which allowed department interests to be passed off as state interests. From this standpoint, the process by which sporadic grain imports (as they were in the middle of the 1960s) became a permanent part of departmental plans is an indicative and natural phenomenon. Besides this, the growth of food imports until the middle of the 1980s was also the result of the absence of a foreign food policy as an important element of agrarian policy in general.

The complete development of the country's food complex requires the coordination of internal and external food policies. The main decisions on the volume and structure of foreign trade operations must be made by a

single agency, such as the State Commission for Food and Procurement of the USSR Council of Ministers. The commission's proposals would be considered by the Committee on Agrarian Issues and Food of the USSR Supreme Soviet, which would approve or deny requests with a view to the developmental needs of the AIC.

It is probable that this approach could facilitate the coordination of the allocations in rubles and foreign currency for purchases of food and the development of the AIC and channel them primarily into the development of the import-replacing branches of our own agrarian sector instead of into purchases of new shipments of agricultural products abroad.

The first timid step in the stimulation of the replacement of imports has been taken. This was the USSR Council of Ministers' decree on the partial payment for grain in foreign currency. The amount purchased for foreign currency from sovkhozes and kolkhozes in 1989, however, was negligible—around 223,000 tons. The reason was the low level of purchase prices (40-60 rubles in foreign currency per ton, or approximately half as high as current world prices). Nevertheless, Eksportkhleb, which is supposed to be in charge of domestic purchases for foreign currency, did not feel that these prices were too low. It cited the foreign trade prices of wheat in 1987/88 as a supporting argument. Of course, it did not mention two "minor" facts. First, that world prices at that time were at a record low because of overproduction. Second, that the Soviet Union received large discounts on imported grain from the United States and the EC. Official agencies actually set the lowest price possible, which has nothing in common with pricing practices stimulating the replacement of imports. They did, however, earn points for implementing the resolutions of the USSR Congress of People's Deputies.

There is probably no point in inventing what has already been invented. Many countries have enough rich experience in the resolution of similar problems. Guaranteed minimum prices are widely used, for example, and are set at 80-95 percent of the average world prices over the last few years. There are also other options. We, however, tried only one—the option of bureaucratic authoritarianism—which did not lessen our dependence on imports and even kept us from saving foreign currency on internal purchases because of their meager volume.

Furthermore, in spite of the official assurances that no restrictions whatsoever would be imposed on the use of this currency,<sup>11</sup> they do exist. Agricultural enterprises can only spend the money through the foreign trade organizations of the Ministry of Foreign Economic Relations. This kind of imposed "service fee" essentially means that part of the money they earn is used to pay the staff of the foreign trade agencies for mediating services. All of the questions about the quality and effectiveness of these services, and about whether each specific farm even needs them, become rhetorical. They do not have to be answered, because the agricultural enterprises have no

other choice. In this way, a seemingly progressive measure aimed at reducing the country's dependence on imported food is actually a way of upholding the monopoly status of state agencies.

For this reason, the establishment of genuinely self-funding foreign trade associations without any departmental jurisdiction is an essential condition for the effective replacement of imports. The state would conclude agreements with them, possibly even on the basis of competitive bids, and the fulfillment of the agreements would be the prerogative of the foreign trade organizations themselves. Where they would make the purchases—inside the country or abroad—would be their own decision, and they would be guided primarily by economic considerations, because they would keep part of the savings in foreign currency. Only under these conditions can we expect foreign traders to find Western partners and partners in their own country, with whom they could engage in mutually beneficial transactions, and without any instructions from above.

There should be room for kolkhozes, sovkhozes, tenant farms, private farms, agroindustrial associations, and agricultural firms in the activities of these economically accountable foreign trade enterprises. Their participation as shareholders will facilitate the organization of production and trade companies of the modern type, with facilities for the primary processing, shipment, and storage of agricultural products. Within these enterprises the necessary organizational and economic conditions could be created for more versatile companies, capable of quickly reorganizing their purchases in line with market conditions. This would be particularly important in imports of products making up a single technological chain (fodder grain, high-protein additives, and meat products).<sup>12</sup>

These foreign trade associations will also be necessary for the revival of the export potential of several branches of agriculture. This applies above all to grain farming. The combination of economic incentives and organizational measures to restructure the work of foreign trade organizations could reduce foreign purchases of wheat by 2-3 million tons a year. This means that imports would be completely unnecessary in 5-7 years. This is the optimal time-frame even from the standpoint of our foreign commitments (the intergovernmental long-range agreements on grain purchases). Conditions should also be established without delay for operations on the foreign market for rye and the by-products of its processing. Black bread is more and more prominent in modern ideas about a "healthy diet." We must not avoid aggressive advertising. We must use it in every way possible in an effort to assume the leading position in this market, where there is still almost no competition.

Part of the savings in foreign currency should be used for the further stimulation of the replacement of imports in our agrarian sector. The rest could be used for the temporary augmentation of foreign purchases of meat products and imports of fresh and processed fruit and

vegetables, coffee, tea, and other products of tropical origin. In other words, it is unlikely that currency expenditures can be reduced within the confines of the national food complex. Their more effective use for the purpose of filling the domestic food market, improving consumption patterns, and stimulating domestic production, on the other hand, will be absolutely essential.

The traditional "foreign trade" approach to the restructuring of the AIC's foreign operations can no longer meet all of our requirements. This is particularly true of problems in the modernization of the processing industry. In the 1980s foreign purchases represented 45-50 percent of all the equipment delivered to the food industry.<sup>13</sup> Imported technological equipment now constitutes around one-third of the total in several of its branches, 43 percent in the baking, noodle, and confectionery industries, and from 55 to 65 percent in the fruit and vegetable, butter and lard, and tea industries. Nevertheless, this has not diversified our diet. The variety is still meager at best. So-called convenience foods (ready to eat or requiring minimal preparation) are extremely few in number. The food industry is still the most backward sphere of the food complex as a whole, and this frequently nullifies progress in agricultural production. Only 11,000—or 19 percent—of our 56,000 processing enterprises meet modern requirements, 38,000 have to be modernized, and the production facilities of the rest should be written off as completely worthless. In spite of this, stocks of uninstalled imported equipment, according to the data of the USSR State Agroindustrial Committee, were valued at 570 million rubles in 1988.<sup>14</sup>

To put it concisely, this is a familiar situation. Purchases are not that small, but the return is minimal. The installation of imported equipment can take years, technological lines are frequently started up before all of the components have been installed, and much of the equipment is kept in warehouses until it is worthless.

In this context, we might wonder why part of the money used to pay for imported equipment for the food industry cannot be used instead for the development of cooperation with overseas agribusiness firms. Many of them have the processing technology which is of special interest to us because its use could make the reduction of our agricultural imports possible through the efficient use of local resources. Foreign experience has shown, for example, that the demand for raw sugar can be reduced substantially by producing substitutes derived from the intense processing of grain and potatoes. The dynamic growth of the production of low-calorie sweeteners reduced refined sugar consumption by almost 40 percent in the United States in the 1980s. The extensive use of the technology for the production of bakery goods from ordinary soft wheat (which is used mainly to feed livestock in our country) in Western Europe reduced imports of durum wheat perceptibly. Many foreign companies have valuable experience in the production of feed supplements enhancing the effectiveness of fodder considerably, and so forth.

We probably should not count on joint ventures with Western firms in these fields, however. As we learned from the talks with ADM (Archer-Daniel-Midland), one of the world's leading corporations in the processing of fodder grain and oil-bearing seeds, the company has absolutely no interest in the joint production and sale of high-protein products. There is already enough competition in most of the world agrarian markets, and the appearance of a new participant would pose the threat of the further intensification of this competition. It is absolutely obvious that large Western firms will not want to contribute to the creation of a new competitor. We frequently insist on this, however, in the naive belief that the offer of manpower and plots of land with "boxes" built on them is enough to expect familiarization with the Western partner's technology, and the use of this partner's sales channels to enter the foreign market, in exchange.

Under these conditions, the most promising forms of cooperation might be licensing agreements, which are extremely diversified: from simple franchises to comprehensive agreements on industrial cooperation, in which the license is the key element of a broad contract package. Western food corporations could also be encouraged to cooperate with Soviet enterprises through consortiums, in which the expenditures and profits of the foreign partner are paid out of the export receipts of "currency-earning" Soviet enterprises in other fields. We should also consider granting the status of import-replacement enterprises to foreign food companies and agricultural firms, whose profits from the sale of products grown in the Soviet Union could be converted into hard currency. This would be a strong incentive for joint ventures in the processing industry. We would receive not only the modern foodstuffs we need so much today, but also access to their production technology. It is quite possible that this would be much more efficient than the agonizingly complex process of re-specializing defense enterprises for the production of equipment for the food industry, which is, as the first results have demonstrated, expensive and ineffective.

Modern forms of foreign ties could also promote increased shipments of tropical produce, the unsatisfied demand for which is absolutely immeasurable. In addition to traditional foreign trade operations, the active establishment of joint ventures in Third World countries also warrants serious consideration. The steps taken in this direction to date have been extremely timid, and even they have led only to the so-called socialist-oriented countries (Vietnam and Ethiopia). The main problems in the development of joint ventures in agriculture in the Third World countries is our inadequate knowledge of local natural and socioeconomic conditions and lack of the necessary managerial experience. The establishment of mixed ventures on the basis of trilateral cooperation with the involvement of Western firms with experience in operations in developing countries could eliminate these problems.

Of course, all of this applies only to isolated elements (although we feel they are also extremely important ones) of the foreign food policy. The planning and implementation of this policy would be directly connected with the



consideration of measures for the economic regulation of foreign contacts, which are now extremely modest. It is already clear, however, that this must not be a highly specific departmental or sectorial policy. It must be related to the food policy within the country. If it continues to be confined only to the organization of imports, we are unlikely to break out of the vicious circle of food poverty and dependence.

#### Footnotes

1. IZVESTIYA, 10 June 1989.
2. "Materials of the May 1982 CPSU Central Committee Plenum," Moscow, 1982, p 14.
3. Calculated according to data in "Vneshnyaya torgovlya SSSR" [USSR Foreign Trade] for the corresponding years.
4. IZVESTIYA, 14 December 1989; 26 June 1989.
5. PRAVDA, 8 September 1988.
6. V. Den, "Kurs ekonomicheskoy geografii" [The Study of Economic Geography], Moscow, 1928, p 206.
7. IZVESTIYA, 22 April 1988.
8. "Sel'skoye khozyaystvo SSSR" [USSR Agriculture], Moscow, 1988, p 217.
9. Calculated according to data in "British Petroleum—An Unconventional Player," Harvard Business School, 1988, pp 7, 24.
10. "USSR: Agricultural and Trade Report," USDA, Washington, 1989, p 48.
11. PRAVITELSTVENNYY VESTNIK, No 17, 1989, p 9.
12. An analysis of the dynamics of world agricultural prices indicates that a rapid rise in fodder prices is followed by a "more subdued" rise in meat prices, and there is a definite time lag in between. Furthermore, when fodder prices "soar," many animal husbandry farms have to reduce the herd, which increases the supply of meat and discourages price increases.
13. "Promyshlennost SSSR" [USSR Industry], Moscow, 1988, p 129.
14. IZVESTIYA, 12 January 1989.

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otnosheniya", 1990

#### Poland in Search of Exit from Crisis

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MEZHDUNARODNYYE OTNOSHENIYA in Russian  
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[Article by Boris Alekseyevich Filippov, candidate of historical sciences and senior scientific associate at Institute of Scientific Information on the Social Sciences, USSR Academy of Sciences; words in boldface as published]

[Text] In all probability, 1989 will go down in Polish history as the year the fourth republic was born.<sup>1</sup> Ever since the beginning of the year, and especially after the parliamentary elections (4 June), the formation of a new government has been going on at a rapid rate. It will be distinguished by a strong presidency, a multi-party system, an administration accountable to parliament, and developed local self-government. The PZPR lost its leading role and has been divested of its power. The government was headed by one of the opposition leaders.

Although the transition to a new form of government has been dramatic, it is being accomplished by **peaceful means**, primarily on the strength of the political agreement between the leaders of the PZPR, which had been in power continuously for 45 years, and the opposition. Both sides acknowledged that the political and economic system which took shape in the postwar period had exhausted the possibilities for its development and was in a state of intense crisis.

In fact, the crisis first became apparent back in the 1970s and reached its peak in 1980-1981. The declaration of martial law prevented the complete destabilization of the country but also dealt a crushing blow to the prestige of the PZPR. After the events of 13 December 1981, the ruling party lost more than 1 million members, representing virtually all of the country's youth and artistic intelligentsia. The psychological climate in the country could have been defined as a "war between society and the regime."

The relative stabilization of the economy in 1984-1986 did not lead to any significant changes in public opinion. The society was in a state of apathy and lacked faith in the government's measures to improve economic conditions. The most active young people either left the country or went to work in the private sector. This double "exodus" reduced the social base of the political opposition, and this made it possible to suspend martial law and release almost all political prisoners.

Even before the suspension of martial law, the PZPR leadership announced the need for political and economic reforms. Without the support of broad social strata, however, the program of reforms was doomed to fail. Meanwhile, faith in the PZPR continued to decline, and the party was isolated more and more from the public. Realizing that it would be impossible to lead the

country out of crisis without achieving a social consensus, the reformist wing of the country's leadership decided to begin talks with the opposition.<sup>2</sup>

### On the Road to National Accord

The momentum for the start of government talks with the opposition, headed by former Solidarity activists, was provided by the mass strikes in Gdansk and Krakow in April and May 1988, at which time the government resorted to the use of force to suppress the strikes. These were the first major demonstrations by the laboring public since the political normalization of 1984-1987 and convinced the country's leadership that the younger generation of workers had become active on the political scene.<sup>3</sup> This generation had grown up under the conditions of the progressive disintegration of the economy and had an extremely pessimistic view, as sociological surveys indicated, of their future opportunities (especially the possibility of acquiring housing and of achieving a normal standard of living). In a state of crisis, an apartment represents the person's unique "ecological niche" and an essential condition for the development of a normal family. The housing shortage became the country's most pressing problem. Young people also realized that strikes were their only weapon in the struggle to uphold the social maximum.

According to one of the country's leading experts on the working class, J. Stanisz, the new generation of the proletariat is less vulnerable to the influence of the intelligentsia and the church. Although it does not have its own leaders yet, it already has no faith in agreements with the government like the "Gdansk accord," and Solidarity's traditional rhetoric and forms of political action seem anachronistic to this generation.<sup>4</sup> The increasingly radical views of young workers pose the real threat of a major social conflict.

Under these conditions, the government's only possible partner (of all the opposition groups with any public prestige at that time) in negotiations was L. Walesa's group. The important thing was not the actual political strength of the underground Solidarity movement, because it was not that impressive. Walesa's group had moral authority in the society, based on the legend that had grown up around Solidarity. The strikes in April and May proved that the younger generation of the working class was less inclined to be influenced by the legend.

The talks were preceded by contacts between members of the PZPR leadership and representatives of the opposition, from the church. The participants were Secretaries J. Cizek and S. Ciolek of the PZPR Central Committee and Professor A. Stelmachowski, chairman of the Warsaw club of the Catholic intelligentsia.

In August 1988 there were strikes in Silesia and then in Gdansk. This stimulated heightened activity on both sides, and on 31 August, on the anniversary of the Gdansk accords of 1980, General C. Kiszczak, minister of internal affairs, had a meeting with Walesa. It was attended by Bishop J. Dombrowski, deputy secretary of

the Conference of Bishops. As a result of these first preliminary talks, Walesa appealed for an end to the strikes.

After Kiszczak and Walesa met for the third time in the middle of September, official roundtable negotiations were scheduled for October. One of the main topics of the talks was supposed to be trade-union pluralism and, consequently, the legalization of Solidarity.

The government leaders' plan to begin talks with the political opposition gave rise to what people in Poland called a "bureaucratic rebellion." It also evoked an extremely negative reaction from the leaders of the official trade unions, who saw this plan as a threat to their monopoly in the labor movement. The Messner-Kiszczak government had to resign. M. Rakowski became the new prime minister. This man, who was the hope of the intelligentsia—party members and non-members—in the 1970s, because the intellectuals saw him as a man capable of carrying out fundamental party and state reforms, and who was hated by the official bureaucracy, headed the government as the representative of this bureaucracy in 1988. The talks with the opposition were cancelled, and the round table intended for the meetings was "dismantled."

Rakowski tried to continue the earlier efforts to split the political opposition. Four administration positions were offered to its representatives, but the situation in the country had changed, and no one was willing to accept these offers, despite the fact that the new head of the cabinet had announced plans for radical economic reform, including such measures as the closure of unprofitable enterprises and the creation of a market mechanism. The appointment of M. Wilczek, the millionaire entrepreneur with a party membership card, as minister of economics, should have proved how serious these intentions were.

An article by one of the opposition's main ideologists—J. Kuron's "Bird's-Eye View of the Round Table" in the illegal daily TYGODNIK MAZOWSZE—was a response to the party bureaucracy's reaction and to Rakowski's appointment. It aroused the interest of many different social groups. It was a discussion of the future of the party and economic bureaucracy (or, more precisely, the administration) under the conditions of economic collapse and the inevitability of a transition to market relations. The author's main thesis was the idea that neither economic recovery nor democratic changes in the country could be accomplished by peaceful means as long as the bureaucracy (consisting of over 3 million people) regarded this process as the danger of "losing everything." Kuron tried to prove that this was not the case, that some members of the bureaucracy would have a real chance of holding onto certain levers of control even under the conditions of perestroika and democratization.<sup>5</sup> His statements about the need for an



alliance of Solidarity with PZPR reformists as an essential condition for a peaceful transition to democracy were the main item on the political agenda throughout 1989.

By December 1988 the country's leadership had already returned to the idea of the roundtable. This decision was a reaction to the changes in the political atmosphere as a result of the outcome of the televised debate between L. Walesa and one of the official trade-union leaders, PZPR Central Committee Politburo member A. Miedowicz. This outcome was unfavorable for the government. The televised debate on 30 November 1988 was seen by around 20 million viewers. The organizers of the debate hoped that if the simple electrician had to deal with an opponent one on one, without his intellectual advisers, he would be unable to hold up his end of the dialogue and would discredit himself as a puppet of the forces backing him. Walesa won the debate. This was a psychological and political defeat for the regime. The strikes which began soon afterward made talks with the opposition unavoidable. At an emergency meeting of the 10th PZPR Central Committee Plenum (21 December 1988), Rakowski recommended roundtable talks.

The decision to start the talks with the political opposition aroused vehement objections within the PZPR. To exert pressure on the undecided, during the second session of the 10th Central Committee Plenum in January 1989, Polish leaders W. Jaruzelski, F. Siwicki, C. Kiszczyk, and M. Rakowski took the collective step of asking the plenum for a vote of confidence. All of them won the unconditional support of Central Committee members, and almost three-fourths of the members voted in favor of the roundtable talks and the legalization of the opposition. In the plenum resolutions, the process of legalization was restricted by detailed conditions and a trial period (until 3 May 1991). All of this was meaningless. The important thing was the consent to abolish the party's monopoly in political affairs, and the 10th Plenum paved the way for this process in its resolutions. The roundtable was supposed to define the organizational forms of the broad-based national accord. At the plenum Rakowski assured his colleagues in the PZPR Central Committee that no higher power could guarantee the party's retention of its leading role in the future and that its retention in political affairs would depend exclusively on the PZPR's capacity for perestroika.

On 5 April 1989 the appropriate agreements were signed. Although representatives of official trade unions and the parties of the government coalition participated in the roundtable talks in the formal sense, most of the discussion and the agreements involved only the government (PZPR) and the opposition, represented by Walesa's group. The guarantors of the agreements were the army and the church.

The roundtable formula the sides agreed on presupposed the gradual democratization of politics and the inclusion of the constructive opposition in the political system.

According to plans, the process was to take 4 years. The first steps in this direction were to be the legalization of the labor and rural branches of Solidarity and "non-confrontational" elections to the Sejm. The sides agreed that the parties of the government coalition<sup>6</sup> would automatically be granted 65 percent of all seats in the elections. The remaining 35 percent and all of the seats in the new parliamentary chamber, the Senate, would have to be won in democratic elections. The institution of the republic presidency was created as a guarantor of social stability and was granted extensive powers in foreign policy, defense, and internal security.

### The Elections and Their Political Consequences

The parliamentary elections were the main event of 1989 and a turning point in the history of People's Poland. The results had wide-ranging implications. The indisputable victory of the opposition candidates nominated by the Solidarity Civic Committee predetermined the subsequent development of political events and the dramatic acceleration of all political processes, which virtually obliterated the roundtable accord on the 4-year period of transition to democracy.

The PZPR and all of its so-called allies suffered a political defeat in the elections (the observance of the terms of the roundtable accord regarding the 65 percent of the deputy seats for the government coalition made this defeat humiliating). Only five of its candidates won in the first round. This was a result not only of the voters' negative feelings about government policy, but also of the split within PZPR and ZSL (United Peasant Party) ranks that became apparent during the nomination of candidates. For the first time in the history of Polish elections, candidates for party tickets were nominated from below instead of from above. As a result, several candidates were competing for the seats assigned to the PZPR by the accord, and this kept the party from campaigning actively for seats (including its own) in parliament. Furthermore, this allowed Solidarity to influence election results indirectly. During the second round it asked its supporters to vote only for reformers from the PZPR. As a result, according to GAZETA WYBORCZA, 55 of the 297 deputies of the ruling coalition were elected with the support of Solidarity.

In contrast to the ruling parties, which had not coordinated a common election strategy, the opposition did have this kind of strategy. The civic committee Walesa had formed at the end of 1988 headed the campaign of the restored Solidarity organization. This was not the opposition's parliament or representative body, but a committee formed by Walesa on the basis of personal invitations. As a result, its membership reflected the struggle between different currents in Walesa's movement, and this affected the choice of opposition candidates in the elections.<sup>7</sup>

The civic committee hoped to win all of the seats set aside for democratic elections in the Sejm and Senate. This predetermined the nature of the elections as a

plebiscite, as a clash between the regime and the opposition, because only unconditional victory could undermine the PZPR's monopoly. In turn, this necessitated the creation of a single opposition voting bloc. Anyone outside the bloc headed by the civic committee was doomed to lose the race. (The only candidate who violated the Solidarity monopoly and won a seat in the Senate was H. Stoklos, the owner of a private firm. The millions he spent on his campaign paid off.) The election campaign was based on public demonstrations of loyalty to Walesa, Solidarity, and the list of candidates he (or his advisers) had approved. As a rule, most of the names on the list were unfamiliar to the voters. The only important consideration was that the candidate was part of Walesa's group.<sup>8</sup>

On the lowest level, however, the elections were more democratic. Neither Solidarity nor its allies in the opposition bloc had any legal organizational structure before the elections. They set up their election committees (also called civic committees) in churches, parish halls, and clubs of Catholic intelligentsia. They had virtually no access to the press and only limited access to radio and television, but they were able to campaign on an unprecedented scale with the help of the church. With the support of only the church, 100,000 activists in local civic committees were able to conduct the productive work that predetermined Solidarity's victory.

The main topic of Solidarity's propaganda campaign was the disastrous situation in the country (the progressive disintegration of the market and disorganization of the economy), which was blamed on the PZPR, the government, and socialism. Its opponents either made feeble responses or did nothing at all, apparently in the expectation that their authority and the roundtable accord were all that they needed. They seemed to have every reason to believe this: The Solidarity leaders took every opportunity to convince the government coalition of their intention to adhere to the accord. This could be described as the main theme of the Solidarity leaders' speeches in the last days of the campaign.

There was another campaign issue, with regard to which all of the members of the civic committee demonstrated an uncommon level of restraint and political objectivity for an election campaign. This was the attitude toward the USSR. In the atmosphere of anti-Soviet demonstrations organized by extremist groups, during which appeals were voiced for the revision of the "eastern border," Solidarity issued something like a "declaration of loyalty." A long article in the first issue of *TYGODNIK SOLIDARNOSC*, for example, stressed that the goal of Polish policy could not be the "prospect of the revision of borders and revival of territorial disputes." Another press organ close to Solidarity stated an equally definite position: "The descendants of the victims of Magadan should not have to pay the bill for Katyn. By the same token, we cannot expect to find a total solution to the entire group of Polish-Russian difficulties." It is also indicative that when Z. Brzezinski was in Poland at that time and was addressing the public,

he assured his listeners of the need for "genuine reconciliation with Russia," calling it a "key element of the government strategy" of independent Poland.<sup>9</sup>

The elections reaffirmed the willingness of the Solidarity leaders to abide by the roundtable accord and to support the leaders of the ruling coalition when they were experiencing difficulties. After the humiliating defeat of 33 of the 35 candidates on the national ticket, which included virtually all (with the exception of W. Jaruzelski) of the architects of the policy of national conciliation, the Solidarity leaders agreed to add the necessary amendment to the election law and thereby gave the coalition 33 additional seats in the Sejm.

This decision was not a goodwill gesture. It was preceded by lively debate, including arguments on the pages of *GAZETA WYBORCZA*. This was not a matter of saving a political opponent, but of saving a political partner in negotiations and accords. The debates showed that the opposition leaders did not know how to deal with the possible consequences of the clear-cut defeat of the PZPR leaders. Walesa's response at that time to a question about the future of the agreement with the government is indicative in this context: "We are standing on the end of a weak branch. Times are hard for reformers on both sides. It would be wrong to abandon a partner in trouble, especially when there is no one else to govern the country yet. Maybe there will be someone else to do this 4 years from now. Most of our partners belong to the reform camp. We understand each other perfectly, and at this time we do not know who, if anyone, will take their place."<sup>10</sup> Walesa expressed the common fear that a possible defeat could lead to the declaration of martial law and confirm the opposition's inability to take complete charge of the country.<sup>11</sup>

The government coalition assured the public of its intention to adhere to the agreement and to accept the election results, regardless of their outcome.<sup>12</sup>

The overall results of the elections were the following: The candidates of the parties of the government coalition won a total of 5 million votes (297 seats), and the candidates of the Solidarity Civic Committee won 12 million votes (261 seats). Around 10 million voters did not cast a ballot.<sup>13</sup>

According to common opinion, the elections confirmed the accuracy of the PZPR leadership's choice of the "roundtable" strategy. They did much to relax tension in the society and helped to stabilize the situation in the country.<sup>14</sup> The fact that actual events exceeded all of the expectations, imagined and projected at the beginning of 1989, only confirms the salutary effects of the roundtable decisions on the PZPR and the country. Although the social dissatisfaction revealed during the election campaign changed the political map of Poland radically, it was directed into the channels created by the accord and was not escalated. In the eyes of the public, the elections forced the Poles to choose between the PZPR and

Solidarity. In this way, a two-party system took shape spontaneously in the country, and the winners were then able to form a government.

#### **Solidarity and the Problem of Authority**

The Solidarity leaders did not expect such a sweeping victory and therefore did not plan to be the ruling political force. From this standpoint, they regarded their victory as a "misfortune" and had no wish to take on the responsibility of leading the country out of crisis. This was the natural reaction for the opposition group in a socialist society, which had never made preparations for the exercise of power and responsibility in the entire history of its existence.

In the socialist system the very term "opposition" presupposes subversive and illegal activity. The normal existence of a constructive opposition in the system (in the sense of "Her Majesty the Opposition") was out of the question in the socialist state. Today the former ruling party and the public are paying a high price for the absence of this kind of opposition in the country's political system. The fact is that a built-in opposition performs the role of a critic of government performance and a political force offering its own alternative program. An illegal opposition, which spends most of its time fighting for legalization, is distinguished by a completely different mentality. The longer it stays illegal, the more likely it is to be psychologically deformed by all types of complexes. Its illegality keeps it from creating political structures capable of working under normal conditions and of developing broadminded politicians. A talented conspirator and strike organizer rarely makes an equally effective economic administrator. The opposition, which comes into being for the sole purpose of exerting pressure on the government and urging it to conduct reforms, might not be capable of carrying out these reforms itself. The opposition in socialist countries is a deformed offspring of the system, with all of its birthmarks and birth defects, primarily the belief in the omnipotence of government officials and of authoritarian methods of administration. This is why none of the opposition groups in Poland had, or could have had, a detailed plan to lead the country out of crisis. There was no such plan even at the end of 1989—i.e., more than 3 months after the Mazowiecki government had been formed.

The opposition was afraid that the PZPR was trying to draw Solidarity into the government for the purpose of compromising it and undermining the faith of broad segments of the population in it. This was apparent in the tone of statements by opposition leaders in the first weeks following the victory. Jaruzelski and the clear threat of presidential crisis made adjustments in this common position of the Solidarity leaders and ideologists.

According to the Polish Constitution amended in 1989, the head of the Polish State is the president. He is supposed to be elected by the new bicameral parliament.

No one who gave any serious thought to political developments in the country had any doubts about the candidate. For a variety of reasons, only General Jaruzelski could be the president.<sup>15</sup> On 30 June, however, he made the unexpected announcement that he would decline the nomination. He recommended General Kiszczak as the presidential candidate, and Walesa immediately agreed with this recommendation.<sup>16</sup>

After Jaruzelski made his statement, GAZETA WYBORCZA published an article by A. Michnik (on 3 July) entitled "Your President—Our Premier." There is no question that even if the article was a reaction to the threat of presidential crisis, it was written for the purpose of advising a new agreement between the PZPR and Solidarity. Michnik discussed the implications of the opposition ideologists' search for a way out of the new political situation. He stressed that Poland needed a new, strong government which could win the confidence of the public. It could be secured by a fundamental agreement, in accordance with which the president would be a candidate from the PZPR, and the head of the government would be a Solidarity representative.

This proposal evoked the indignation of PZPR leaders and the objections (such as "We are not ready yet") of opposition leaders. Kuron was the only influential Solidarity official who supported Michnik's idea.

Nevertheless, by the end of July the idea of a coalition government without PZPR participation had gradually become a topic of discussion and even the stimulus for concrete action. The Solidarity leadership refused to support a government formed by General Kiszczak, and its deputies voted against him in the Sejm. When Walesa announced the intention to create a government coalition of Solidarity with the ZSL and SD [Democratic Party] (whose leaders had suggested earlier that this kind of coalition could bring these parties out of their state of crisis) on 7 August, it turned out that many of the deputies united in the Civic Parliamentary Club were not psychologically prepared to take on the burden of power. In spite of this, Walesa began negotiations with the leaders of the ZSL and SD.

Walesa's response when he was criticized by deputies from Solidarity was quite blunt. According to GAZETA WYBORCZA, he told them: "I made the choice for you because you could not make it yourselves. And how can you complain about anything I do anyway?... Now that you climbed on my back and Mazowiecki's to get into parliament, I would ask you to return the favor and let him rise to the highest level of power. This is what I expect and this is what I demand."<sup>17</sup>

Even the PZPR leaders were unprepared for Walesa's proposal. In their initial reaction, emotions prevailed over a political analysis of the situation. The Solidarity leaders were accused of violating the roundtable accord and of making an open bid for power. The initiative in forming the government, however, was transferred completely from the PZPR to Solidarity.



Subsequent events showed that the opposition leaders did not question the PZPR's retention of two extremely important government positions (the ministers of defense and internal affairs) and that, after they had assessed the situation realistically, they were not making any attempt to keep the Communists completely out of the government. In public statements, the Solidarity leaders advised that the formation of the government on the basis of Walesa's suggestions be regarded as a way out of the crisis-ridden system with its privileged officials, bureaucratic staff, and inability to carry out radical reforms. At the height of the arguments between the PZPR and the opposition and within them, two prominent members of Solidarity, Michnik and Geremek, unexpectedly flew to Rome to attend an international seminar on "Europe and the Social Societies" in the papal summer residence, where they had a meeting with John Paul II.

On 15 August Kiszczak announced his decision not to form a government, and the next day he resigned. This removed the formal restrictions on the open discussion of Walesa's proposals. The deputy clubs of the ZSL and SD immediately consented to this discussion. On 17 August Walesa spoke with the leaders of these parties separately and together. This was followed by a meeting with President Jaruzelski. That evening he had a meeting with Cardinal Glemp. That same day Jaruzelski also had a meeting with the cardinal.

On 18 August Jaruzelski received Mazowiecki, who later had consultations with ZSL and SD leaders R. Malinowski and J. Jozwiak, Chairman Geremek of the Civic Parliamentary Club, and Cardinal Glemp. In the evening on 19 August there were reports that the president of Poland had officially authorized Mazowiecki to form a new government.<sup>18</sup> Jaruzelski made this decision without waiting for the resolution of the 14th PZPR Central Committee Plenum on the formation of a new government by the opposition.

This was an extraordinary document. On the one hand, the PZPR insisted on the fulfillment of the obligations the sides had assumed during the roundtable talks and asked the leaders of the ZSL and SD to preserve the coalition with the PZPR. On the other hand, after announcing the need to create a "grand coalition," including all of the parties involved in the talks, the document expressed the PZPR's willingness to cooperate in the formation of a government headed by an opposition representative under certain conditions. "The representation of the PZPR in the new government," it said, "must be commensurate with its political and governmental potential." The resolution left no doubt that the creation of a government headed by an opposition representative without the PZPR could jeopardize Poland's position in CEMA and the Warsaw Pact and pose a threat to national security.

On 24 August Mazowiecki was appointed chairman of the Polish Council of Ministers at a Sejm session. His

nomination was supported by 378 deputies in an open ballot (4 voted against him and 41 abstained).<sup>19</sup>

Mazowiecki's biography is well-known today. Much less is known about the evolution of his political views. He began his political activity at the end of the 1940s as part of the Catholic intelligentsia nurturing illusions of productive cooperation by Christians and Marxists building a new humane society. For this reason, the group headed by B. Piasecki, Pax, of which Mazowiecki was a member, was involved in a serious clash with the Catholic bishops, who saw it as a tool of the atheistic regime. Although Mazowiecki left Pax in 1955, for a long time afterward he was one of the prominent Polish Catholic intellectuals who advised cooperation with the PZPR for the sake of democratization. Mazowiecki and the journal he headed, WIEZ, were active in publicizing the ideas and decisions of Vatican II (1961-1965), defining the ways and means of adapting the church to the modern era. It was probably at that time that he became a close friend of Karol Cardinal Wojtyla, the future pope.

The secular Catholics' attempts at loyal cooperation with the PZPR and the regime were unsuccessful. The Polish leadership regarded the church as an ideological opponent and as the rallying ground of the antisocialist opposition. Mazowiecki was one of the Catholic intellectuals who made the transition to active opposition in the middle of the 1970s. This group did not consist only of Catholic intellectuals. From the very beginning, former PZPR members who had been accused of revisionism and expelled from the party played an important role in the group. Mazowiecki had contacts of long standing with them. Michnik, K. Modzielowski, and Kuron wrote articles for WIEZ under pseudonyms. This bloc of former PZPR members and politically active Catholic intellectuals became the basis of the "flying university"<sup>20</sup> established in 1977 and later constituted the nucleus of Solidarity advisers (in 1980-1981). This bloc is also represented in the Mazowiecki government.

The government represented the result of a compromise between the two most influential political forces in the country—the PZPR and Solidarity. Neither was capable of leading the country out of crisis on its own. The situation was also paradoxical because neither side had been able to solve the fundamental problems of its existence. The defeat the PZPR suffered revealed its profound state of crisis and internal conflicts and caused the collapse of its structures. Almost the same can be said of Solidarity, which has still not established its own identity. What is it? A political movement of advocates of reform or a trade union? Its structure is still in the formative stage.

#### The State of Affairs in the Former Ruling Party

At the beginning of 1989 the party officially had 2.097 million members, some of whom occupied leading positions in the party, the economy, the administrative system, the army, the militia, and the diplomatic corps. Another sizable segment of the PZPR consisted of



retired individuals. The average age of its members, according to official data, was over 46.<sup>21</sup> The percentage of young members, primarily workers and students, has declined dramatically in the last decade. According to GAZETA WYBORCZA, at the end of 1987 only 879 students belonged to the party.<sup>22</sup>

Its status as the ruling party for over 40 years naturally affected its composition and the mentality of its members. For this reason, the party's loss of the leading political role in society and government was viewed by many of its members as a catastrophe and a threat to their careers. This segment of the PZPR was accustomed to thinking in terms of power and the struggle for power (instead of for influence in the society) and was distinguished by the mentality of a loser striving to regain lost influence.

Therefore, there was a serious psychological barrier keeping the PZPR from becoming a "normal democratic party" with no monopoly on the truth or on power and personnel decisions, a barrier which would be difficult to surmount on the individual and group levels.

The 13th PZPR Central Committee Plenum (on 29 July 1989) was devoted to a search for an answer to the question of "Why are people fed up with us?" and an analysis of the election results and the situation in the country and party. Although the discussion at the plenum sounded serious, it and subsequent plenums proved that neither the party as a whole nor its leadership had been prepared for this turn of events. Even the acknowledgement that the society was "fed up" with the party and its promises (these were the precise words used at the plenums and in the party press) did not bring about fundamental and constructive changes in the PZPR. The atmosphere in the party after the elections, according to the party press, was a mixture of confusion, fear, and the desire to take revenge for the defeat. Party organizations on the lowest levels demanded that the guilty parties be found and punished.

The feelings of the party rank and file were expressed eloquently by one Central Committee member: "People are holding their party membership cards in their hands and...waiting. They will either put them back in their pockets or will throw them away."<sup>23</sup> According to a poll conducted just before the 15th PZPR Central Committee Plenum (in October 1989), if elections had been held at that time, the party could count on the votes of just over 3 percent of the voters, which was equivalent to less than half of the PZPR membership.<sup>24</sup>

The future of a party depends completely on its ability to lead the masses at a time of crisis. The experience of the MSZP testifies that the hasty compilation of a political program can isolate the reformist wing of the party leadership from the masses. It is no coincidence that the "preservation of party unity" became one of the main PZPR slogans at the end of 1989.

Surveys conducted within the party (in fall 1989) showed that PZPR members felt that the reformed party should

unite the supporters of democracy, self-management, social justice, and equal career opportunities. The exploitation of hired labor, government by an elite, the sale of Poland to foreign capital, and the restoration of capitalism are incompatible with its ideology. It should not renounce Marxism, but it should make more extensive use of the experience in Polish socialist thinking.<sup>25</sup> While acknowledging that the future party would be one of the active political forces in the country, most of the respondents still saw it as an organization protecting the interests of a specific class.

It is true that the intellectual groups, clubs, and platforms which had proposed alternative programs were more active in the party after the parliamentary elections. Above all, they included the "Movement of 8 July," which advocated the de-ideologization of the party, the renunciation of democratic centralism, receptivity to any political alliance, and the creation of a multi-party democratic parliamentary system in Poland.

One of the consequences of the June elections was the emergence of an alternative center in the party. This was the PZPR Deputies' Club. The club was relatively autonomous of the Politburo and Central Committee because the most active primary party organizations and party committees nominated their own candidates, alternatives to those suggested by the official party staff, for the first time in PZPR history. Many of them won with the support of Solidarity's local civic committees. These alternative candidates constituted the backbone of the PZPR Deputies' Club in the Sejm.<sup>26</sup> The most famous was T. Fischbach, former first secretary of the PZPR provincial committee in Gdansk and an active supporter of cooperation with Solidarity in 1980-1981.

Regarding themselves as representatives of the party and the voters instead of as party agents, at the very first session the deputies belonging to the PZPR abolished the principle assigning the club the role of a transmission link between the party leadership and the deputies from the PZPR and the role of executor of party directives. Within a few months the Deputies' Club was able to plan its own (distinct at first from the position of the Central Committee) line of behavior in dealings with the Mazowiecki government.

On 27 October 1989 the club approved a policy declaration ("Open Letter") expressing support for the Mazowiecki government. It also contained pointed criticism of the common assumption in the PZPR that the party would rise up from the ruins of the Mazowiecki government and that it would not give up power and would not settle for opposition status. The only alternative to the success of this government, the "Open Letter" said, was chaos, anarchy and, finally, strong-arm dictatorship. As for the future of the PZPR, according to the authors of the "Open Letter," it had already exhausted its possibilities, and the time had come to form a new party. Furthermore, one of the first initiatives of the new deputies from the PZPR was the introduction of the bill on the amendment of the constitution to eliminate the

article defining the PZPR as the "leading political force in society." This position, as the earlier discussion demonstrated, was contrary to the prevailing traditional beliefs in the party with regard to the socialist model of society, in which the state guarantees its citizens education, jobs, wages, housing, and social protection. These beliefs had nurtured the opponents of reform in the PZPR until the time of its self-dissolution. To this day, they permeate the ideology of the trade unions—the ones united in the Polish Trade Union Accord and the ones making up Solidarity.

Other factors hampering the restructuring of the former ruling party's ranks also warrant discussion. Above all, these included the party's view of itself as the guarantor of internal and external security—a view inherited from the period of the party's monopoly status in government. Even after the PZPR became the opposition party, it was reinforced by the party's monopoly on the creation of the body of officials in the ministries of internal affairs and defense and the appointment of the main foreign ministry officials, and the monopoly on friendship with the USSR. This historically determined and constitutionally secured monopoly was instrumental in Polish development during different periods and in establishing the closest possible relationship with the CPSU and USSR. Today the situation is changing. One of the changes—and it is a fundamental one—is the creation of the office of the Polish president, who has been endowed with many of the exclusive rights previously in the hands of the PZPR and its official staff.

The campaign for the nomination of delegates to the 11th PZPR Congress, which was expected to decide the party's future, proved that the party was prepared to defend its place in political affairs. It was attended by over a million people—i.e., almost 60 percent of the party members. The congress convened on 27 January 1990 announced the self-dissolution of the PZPR. Its successor, not only in the sense of continuing the best traditions of the Polish socialist movement, but also and particularly in the legal sense (with the right to its property), was a new party called the Social Democrats of the Polish Republic. Its congress completed its work on 30 January. This leads to the legitimate question the new party and its members will certainly have to answer at public gatherings and at their own meetings: What does it take to become a social democratic party in actions rather than in words? Today's social democrats, with whom the leaders of the new party want to ally themselves, are the product of a lengthy process of development. They are distinguished by their own political culture and own line of political reasoning—something that does not occur automatically after a change of names. In this sense, the new party has a long way to go.

#### **Solidarity, the Civic Committees, and the Struggle Between Currents**

Today's Solidarity, which was revived in 1989 on the basis of the agreement and compromise between the

regime and the opposition, has little in common with the movement of the same name which was banned in December 1981. The Solidarity of the early 1970s, which came into being during nationwide strikes, was primarily a mass social protest movement uniting most of the laboring public. Today the arguments over whether it had 10.5 million members or under 10 million seem inconsequential. The Solidarity of the early 1980s gave people "a complete sense of commitment." Because of its numbers, it was able to solve many problems at enterprises. Its weapons were spontaneity, quick reactions, and strikes.<sup>27</sup> The social nucleus of the movement consisted of young engineers and workers. Solidarity was often defined as "a movement of 30-year-olds."

In the years just before its legalization, Solidarity no longer represented a real force in production. When it was revived within the framework of trade-union pluralism, it did not have a broad social base. Even after its impressive victories in the 1989 elections, Solidarity did not even have 2 million members. The identity crisis Solidarity is suffering from today is connected primarily with the need to define its attitude toward reform. Its members, who are concentrated in the crisis-ridden enterprises of heavy industry, should be opposed to radical reforms for objective reasons.

During the 1989 elections Solidarity performed the functions of a centralized political party. Today these functions are being taken over by local civic committees, deputies' clubs, and new parties. What can Solidarity do at enterprises? The function of a trade union is to protect the social interests of labor. But what does it do when an enterprise goes bankrupt? According to experts, it is this unanswered question that is keeping the Solidarity membership from growing. Another reason of fundamental importance is the heightened criticism of the Solidarity leadership by the union rank and file.<sup>28</sup>

The first serious conflict its leaders faced concerned the future of the Solidarity civic committees that led the election campaign. The Solidarity National Executive Committee originally passed a resolution on their dissolution at a meeting 3 days after the elections. This haste attested primarily to the trade-union leaders' fear that the civic committees, with their 100,000-strong active membership, might form a competing political party with the intelligentsia making up its social base. A split in the opposition movement along social lines also seemed extremely dangerous to them because there was a rural Solidarity organization of peasants in addition to the workers' Solidarity and, as later events indicated, the rural organization had little connection with the opposition structures of long standing.

Today there are actually two wings in Solidarity: the **political** and **trade-union** wings. The first is represented mainly in the deputies' parliamentary club and the civic committees and also in the clubs of the Catholic intelligentsia. It unites the supporters of political solutions to existing problems and compromises and agreements with other political forces. Its members think in national,

rather than social (or class), terms. The second wing is based at enterprises and unites most of the radical members of the working class. In this wing socioeconomic demands prevail over political ones.

In turn, the political wing consists of two currents, distinguished by philosophical differences: **socialist** and **Catholic**.

The Catholic current in the opposition movement came into being long ago, and its existence is understandable in a country like Poland. The atheistic and antireligious nature of the ruling party always brought it into conflict with the church and the devout Catholic public. Each aggravation of relations between the church and the state in the 45-year history of the Polish People's Republic augmented opposition ranks with another group of devout Catholics, usually a new generation of believers. Nationalists and cosmopolitans, supporters of Christian socialism and a liberal capitalist economy, religious traditionalists and reformists, and supporters and opponents of active participation by the church in politics all acted in concert within the opposition movement under a common Catholic "roof." All of these opposition groups have their own sponsors among the priests and bishops and their own national and international contacts and connections. Besides this, the existence of two political-cultural traditions (Warsaw and Krakow) naturally affected the situation in the Catholic current and divided it into two corresponding wings.

The socialist current in the opposition came into being as a result of the regular "purging" of the PZPR to get rid of various "revisionist groups." These were usually groups of intellectuals and students who were united by their passion for arguments over Marx and Lenin. During its years of existence, the party got rid of most of the intellectual Marxists by depriving them of the opportunity to teach (and thereby either forcing them to emigrate or pushing many of them into the opposition camp). Whereas the segment of the opposition with Marxist-revisionist origins and views was small, the social democratic segment was an impressive force in terms of numbers and influence. These were supporters of democratic socialism or "socialism with a human face." (Were they Marxists? Probably not.) In 1980 and 1981 the "social democrats" constituted the backbone of the Solidarity aktiv. Their ranks grew when PZPR members left the party after the declaration of martial law.

In spite of the differences in their outlooks, origins, etc., both segments of the socialist opposition did not trust the Catholic Church. Their anticlericalism was a natural result of their upbringing and education in schools and VUZ's and of the general materialistic spirit of the 1960s and early 1970s.

Ironically, it was the church that gave the representatives of this current financial and moral support when they experienced hard times. For some, this happened in the late 1960s and the first half of the 1970s, and for others it happened during the years following the imposition of

martial law, when the church concerned itself with the material comfort of the families of political prisoners. It was the church press that printed the works of journalists who had been expelled from the party, and it was the church that gave out-of-work actors a chance to perform in parish halls.

The most pronounced differences between the Catholic and socialist currents of the opposition were displayed during discussions of attitudes toward the PZPR. The "socialists" (Kuron, Michnik, and Geremek) advocated an alliance with PZPR reformers and the formation of a joint government. This was understandable. The two groups had common roots and a common approach to the country's main problems. (This was clearly demonstrated when the campaign debate between Michnik and A. Kwasniewski, which was conducted in the form of a friendly argument at the end of May 1989, was broadcast on radio and television.) The Catholic current and most trade-union leaders objected to this kind of alliance. Anti-communist feelings were too strong in the society. Nevertheless, most of the opponents of the alliance were aware of the negative implications of the political vacuum that would be created by the disappearance of the leftist party, and they are trying to create the necessary mechanisms to facilitate this party's adaptation to new conditions (for example, the institution of proportional representation in elections to local government bodies).

These differences between the two currents in the political wing of Solidarity are nothing in comparison to their fundamental disagreements with the trade-union wing. The latter opposes the transfer of state enterprises to private owners and the transition to a market economy.<sup>29</sup> In their views on privatization and the market, the members of the trade-union wing of Solidarity are genuine allies of the Polish Trade-Union Accord and anti-reform forces in the Social Democratic Party. Furthermore, this segment of Solidarity could become a stronghold of contemporary populism.

Populism, which could turn into a unified national movement, is regarded as the principal and most tangible threat to the country's emergence from crisis in Poland today. It is precisely this crisis, especially the economic disorders, that nurtured populism. It grew out of the sense of hopelessness and the inability to find a place in an unstable society. Under these conditions, the groups which became politically active because of the crisis are grasping, like a drowning man grasps at straws, at the traditional view of socialism as a society guaranteeing social stability. When the PZPR was discredited, this populist wave turned against officials and bureaucrats, but not against the system. Contemporary populism in Poland has remained loyal to the idea of the working class' leading role and historic mission and shares the belief in the superiority of collective forms of ownership to private forms, of centralized planning to the market, of the state system of social security to personal prudence and social philanthropy, and of the equal distribution of goods to distribution according to labor.



Populism of any type has a serious adversary—the rural community. During the period following the imposition of martial law, rural Poland became the social support of the regime by providing the urban population with food. It was not the fault of the peasantry that the disintegration of the existing system of socioeconomic relations and ties affected this cornerstone of the stability of Polish society. For this reason, one of the main objectives of the Mazowiecki government, which will largely determine the success or failure of the entire program of reforms, is agricultural recovery. Another equally important objective is the restoration of public trust in government actions. The crisis which has lasted an entire decade grew out of a crisis of public confidence in the regime. Poland is not likely to recover without the restoration of this trust and the resumption of normal relations between the society and the government.

#### Footnotes

1. The first republic lasted from 1569 to 1795, the second republic existed from 1918 to 1939, and the disappearing third republic was established after World War II as a result of the defeat of Hitler's Germany. Its main declared goal was the construction of socialism. The leading political force in the society, according to the constitution, was the Polish United Workers' Party (PZPR). Any real political opposition in the new republic was out of the question because it was equated with counterrevolution.
2. At a meeting of the Polish Sociological Society in August 1988, prominent party official and scholar J. Rejkowski said: "The political structure has decided to institute reforms but is not strong enough to deal with all of the problems. To date, it has been supported mainly by social groups which relied on the state as a benefactor. These were mainly the conservative elements representing, according to sociologists' estimates, from 20 to 30 percent of the population" (TYGODNIK KULTURALNY, 18 August 1988, pp 4-5).
3. According to estimates, it represents one-third of the working class in the country today.
4. TYGODNIK KULTURALNY, 18 August 1988, p 10.
5. The article specifically said: "Becoming a manager requires at least the minimum of organizational experience. Up to the present time, only members of the official bureaucracy could acquire it. In spite of opinions to the contrary, I am certain that most of them, under favorable conditions, could establish private enterprises and firms, compete successfully for directorial positions, and win elections to government bodies" (TYGODNIK MAZOWSZE, 23 November 1988, p 2).
6. Above all, these are the United Peasant Party (ZSL), the Democratic Party (SD), and some of the Catholic groups making up the Patriotic Movement of National Rebirth—such as Pax, the Christian Social Alliance, and others.
7. The first issue of the weekly TYGODNIK SOLIDARNOSC, which was published when it was still headed by T. Mazowiecki, contained an article by I. Krzeminski, who pointedly criticized the undemocratic atmosphere in the opposition. "It appears that the opposition elements united in Solidarity do not represent the public at this time and, what is worst of all, are not worried at all about winning a democratic public mandate because they assume that it is already theirs for the taking. The methods used in preparing groups for the round-table sessions and the methods of forming the civic committee arouse fundamental objections.... I doubt that the word 'government' could be used in reference to them" (TYGODNIK SOLIDARNOSC, 2 June 1989, p 11). Two prominent members of the Civic Committee—A. Hall and T. Mazowiecki—said that the system of choosing and nominating candidates violated democratic principles.
8. The fact that the candidates' names were unfamiliar to large segments of the voting public did not mean that they were ordinary people. The names of prominent figures in science and culture were included on the ticket. Professional opposition leaders occupied an insignificant place on the ticket. All of the other opposition groups which tried to nominate their own candidates were called renegades.
9. TYGODNIK SOLIDARNOSC, 2 June 1989; GAZETA WYBORCZA, 7 June 1989; SŁOWO POWSZECHNE, 15 June 1989.
10. ZYCIE WARSZAWY, 10-11 June 1989.
11. When the possibility of martial law was being discussed, the opposition press made references to the events in Beijing and Tbilisi.
12. TRYBUNA LUDU, 6 June 1989.
13. Surveys conducted immediately after the elections indicated that the people who did not vote for political reasons did not exceed 6 percent of the total. The boycott was advised by small extremist groups (GAZETA WYBORCZA, 26 June 1989).
14. An interview M. Orzechowski, member of the PZPR Central Committee Politburo, granted in fall 1989 is interesting in this context. He said that the reason for the accord on "limited democracy" was the negative experience in the application of "complete democracy" in the first years of Poland's independence. It led to the establishment of the Pilsudski dictatorship. "Maybe a little democracy," he said, "will save us from something more terrible" (TYGODNIK KULTURALNY, 1 October 1989, p 1). Walesa made a similar statement just before the elections (TYGODNIK SOLIDARNOSC, 2 June 1989, p 1).
15. "Jaruzelski can fully guarantee political continuity or protect us from the transformation of evolution into revolution," Professor A. Kozminski wrote in an article



in PRZEGŁOD TYGODNIOWY. "Under present conditions, the president must be a man who can represent a guarantor of stability to the West and the East and to his own government" (PRZEGŁOD TYGODNIOWY, 25 June 1989, p 3).

16. At the last minute, Jaruzelski did agree to run and was elected, but by a majority of only one vote (over the 50 percent required for election), because the deputies from the parties making up the government coalition voted against him along with the deputies from the Solidarity Civic Committee.

17. GAZETA WYBORCZA, 21 March 1989.

18. Geremek and Kuron were the two other candidates.

19. The vote showed that, contrary to the recommendations of the PZPR Central Committee Politburo, not all members of the party deputies' club abstained, and most supported the appointment of Mazowiecki as premier (TRYBUNA LUDU, 31 August 1989).

20. The "flying university," or the Association of Scientific Courses, was a form of opposition activity consisting in the presentation of lectures and distribution of papers on the "blank spaces" in history, philosophy, literary criticism, and political economy. Lectures were presented in private homes or Catholic churches. Cardinal K. Wojtyła, for example, set aside five churches for this purpose.

21. According to the data of TYGODNIK POLSKI, the indicator was even higher—54 (TYGODNIK POLSKI, 10 September 1989, p 1).

22. GAZETA WYBORCZA, 15 May 1989.

23. POLITIKA, 5 August 1989, p 3.

24. TRYBUNA LUDU, 5 October 1989.

25. Ibid., 4 October 1989.

26. Of the 173 deputies elected from the PZPR, 156 were elected for the first time.

27. GAZETA WYBORCZA, 5 July 1989.

28. According to one of Solidarity's press organs, women standing in lines began referring to opposition leaders in the same way that they had previously referred to PZPR leaders—as "them" (TYGODNIK SOLIDARNOSC, 2 June 1989, p 11).

29. By the beginning of 1989 some members of Solidarity were already saying that it "should be exclusively a workers' organization; it should be a stronghold of opposition to the emergence of a bourgeois class of bureaucratic origins in Poland" (PRZEGŁOD KATOLICKI, 5 March 1989, p 3).

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## Old and New Features of Middle East Conflict

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[Article by Nikolay Nikolayevich Spasov, candidate of historical sciences and political scientist; passages in italics as published]

[Text] *He said to them, "When, therefore, a teacher of the law has become a learner in the Kingdom of Heaven, he is like a householder who can produce from his store both the new and the old" (Matthew 13:52).*

## Limits of Ideologization

The first feature distinguishing the Middle East conflict is what might be termed its longevity. We could say that it is the same age as the present system of intergovernmental relations, which took shape in the first postwar years. Other regional conflicts are much younger.

Of course, when we see such a striking example of lasting enmity and suspicion throughout a whole region, we wonder what the sources and causes of the conflict are. If we remove all of the secondary strata from the model, we can probably define the main conflict as the problem of accomplishing the kind of *modus vivendi* for two nationalities, the Jews and the Palestinian Arabs, which would secure the necessary conditions for a stable truce and peaceful coexistence in their common historical homeland.

It would be futile to try to figure out which of the two nationalities has more historical right to the territory the Romans called Palestine. This would lead unavoidably to the vicious circle of the eternal disputes over the geographic boundaries of the land the Lord gave Abraham and his progeny, according to the Old Testament (Genesis 12:5-7). For this reason, it is not necessary to delve into the chronicles of the turbulent reversals of the historical process in the Middle East to realize the futility of attempts to substantiate the preferential historical right of one nationality to a specific territory. The debates over Nagornyy Karabakh offer sufficient evidence of this.

Besides this, we must not forget the universal maxim of civilized international communication: that justice will always triumph. The unjust treatment of a nationality in the past cannot serve as grounds for present or future injustices in the treatment of the "offending" nationality in retaliation or as "compensation." The analysis of any inter-ethnic conflict and the consideration of scenarios for its resolution must be based on present political realities.

The Middle Eastern problem acquired distinct outlines as soon as UN General Assembly Resolution 181(2), envisaging the division of Palestine, then mandated to Great Britain, into two independent states—Arab and Jewish—was passed on 29 November 1947 (incidentally, the USSR and the United States voted for it). It was

necessary to guarantee not only the creation, but also the peaceful coexistence, of the two states—i.e., to first establish the impermissibility of acquiring territory with the use of military force as the basic principle of their relations with each other and with neighbors. But whereas the Jewish population was able to exercise the right it had been granted after announcing the creation of the State of Israel on 14 May 1948, the Palestinian Arabs never had this opportunity. Furthermore, this was not Israel's fault.

As a result of several military conflicts, territories the General Assembly had set aside for the Arab Palestinian state were under Israeli occupation. Incidentally, even the Jews probably doubted the irreversibility of the realization of their national ambitions in the beginning. The Arab countries, as we know, did not recognize Resolution 181 and Israel's right to exist, and until a relatively short time ago most of them believed that Israel should cease to exist as the "national home of the Jews" and that there should be only one state—primarily Arab—in Palestine.

It is not surprising that this was the origin of the tenacious stereotypes of the "besieged fortress" among the Israel population. These stereotypes later turned out to be ideally suited for self-reproduction. Even today, now that Israel's right to exist is not being questioned even in the Arab world (with one or two exceptions which are most probably rhetorical questions) and now that this right has been acknowledged by the Palestine Liberation Organization, these stereotypes of mistrust and suspicion are still being cultivated in the Israeli mind literally from infancy. Of course, even if we do not accept this obsessive concern for one's own security at the expense of the security of others, we can understand it. Some of the contributing factors were the complexes engendered by centuries of persecution and the trauma of the Nazi genocide. The anxieties of the first decades of the Israeli state's independent existence also had an impact.

But emotions are emotions and facts are facts. Whereas the Jewish people were able to exercise the right they were granted by Resolution 181 to establish their own state, the Arab people of Palestine, we repeat, were unable to do this. Consequently, the resolution of the central problem of the Middle East conflict would necessitate the guarantee of the Palestinians' right to self-determination—they must be given a chance to establish an independent state. Then they will decide how they will take advantage of this opportunity.

It is clear that these facts in themselves cannot explain the acute and chronic nature of the Middle East conflict or the place it occupies in world politics. It is equally useless to try to shed additional light on the problem by extending the framework of the conflict—i.e., by viewing it not as a conflict between relatively small ethnic communities, the Jewish and Arab populations of Palestine, but as a confrontation between all of the Arabs in

the world and all of the Jews (according to some American estimates, there are 250 million of the former and 13 million of the latter).<sup>1</sup> We can assume that the unique nature of the Middle East conflict, distinguishing it from all others and making it so difficult to resolve, stems largely from its total ideologization.

This, however, is only part of the problem. Everyone knows that inter-ethnic conflicts become much more intense when clashes between nationalities acquire the specific features of ideological differences based on religion. Religion is the oldest and probably the strongest instrument for the ideological motivation of human actions (in their most extreme form, these are primarily destructive rather than constructive actions).

In this context, we should recall that conflicts in the Middle East have been heavily encrusted with layers of religious disagreements for centuries (dating back to the crusades "for the liberation of the Holy Sepulcher"). If we take a look at the fundamental conflict in the Middle Eastern situation, the Arab-Israeli conflict, we can immediately see its religious component, compounded by the fact that the central issue is the dispute over the holy city of three world religions—Jerusalem.

We should also recall that although the Arab-Israeli confrontation sometimes obscures all other events in the Middle East by its dimensions and intensity, it does not include the entire range of disputes in the region. Virtually all of the other conflicts in the Middle East and over it, however, also have religious overtones. Ample evidence of this can be found in a list of the main conflicts: the Iran-Iraq war—a military confrontation between theocratic Shiite Iran and primarily Sunni Ba'ath secular Iraq; Ethiopia—a conflict between the central government, supported mainly by the Christian Amharic population, and the Eritrean separatists, representing the interests of Somali Muslims; Sudan—a struggle between the Muslim north and Christian south; finally, Lebanon—a classic example of a civil war with a religious basis, in which each side is against all other sides—Christian (Maronite, Orthodox, and Catholic), Muslim (Sunni and Shiite), and Druze. Besides this, we must not forget Cyprus, where the inter-ethnic divisions also have underlying religious causes, however muted they might seem today.

Furthermore, the Middle East conflict started at the time of the establishment of the Arabs' own modern national states as well as the Jews' national state. At times like these, when nationalism is on the rise, it is particularly inclined to seek motivational support from religion. In this way, orthodox religion (with the sanction of the powers that be) acquires strong momentum, allowing it to win consideration for its canonical priorities even when they are clearly inconsistent with the current interpretation of the national interest.

It is also significant that these circumstances make up what might be termed the surface layer of the ideologization of the Middle Eastern situation. The Middle East

conflict would not be so distinct from all other regional conflicts in world politics if the Jews were not one of the parties involved in it. This has given rise to an unparalleled phenomenon: the vital importance of the Middle East conflict to a sizable segment of the world population. This is not simply a result of the presence and influence of the Jewish communities in many parts of the world. The main cause of the heightened interest in the Arab-Israeli conflict is more likely to be found in the very nature of the ambiguous, contradictory, and disturbing legacy of the relationship of the Jewish communities scattered throughout the world to their immediate surroundings.

After World War II people in the West acquired—often unconsciously—a guilt complex because of the treatment of the Jews. This was less a case of remorse for centuries of persecution than a reaction to the monstrous crimes of the Fascist holocaust. These feelings were particularly strong among intellectuals. The failure to consider the high moral authority of Israel in the eyes of the Western public, paid for by the millions of victims of Hitler's genocide, would be tantamount to ignoring one of the significant factors influencing the evolution of the Middle Eastern situation.

This does not mean, however, that the affirmation of the "new" attitude toward the Jews after World War II was a painless process. In the Western countries anti-Semitism was eliminated from politics. Anti-Semitism was regarded as something disgraceful not only among policymakers and intellectuals, but also throughout the entire social spectrum. At the same time, the Jews' achievement of not just moral equality, but even some degree of moral superiority as the victims of the monstrous crimes, the birth of their own national seat and, finally, their virtually unrestricted opportunities to become part of the surrounding society were not accepted unequivocally and sometimes gave rise to outbursts of anti-Semitism.

Besides this, in some countries and during certain periods of history the Jews were associated with the negative, nihilistic excesses of the revolutionary movement. This was the basis of, for example, the common "theories" blaming these movements on the "Zionist-Masonic conspiracy."

In spite of the fact that the very establishment of the State of Israel was made possible largely by the USSR's consistent position and the fact that our country was the first to recognize this state officially, the non-Jewish population of the Soviet Union did not feel any particular emotional attachment to the newborn State of Israel. The roots of this anomaly must also be sought in history.

In the second half of the 19th century and in the 20th century, relations between the people inhabiting the present territory of the Soviet Union, primarily Slavic, with the Jewish communities were fairly hostile. Tsarist Russia "enriched" the international political lexicon

with the word "pogrom." It does not take much insight to realize that the anti-Semitic views of A. Rosenberg (who was born in Reval and taught there before he moved to Munich in 1919), the man who became one of the leading architects of the racial theory of National Socialism, were influenced by the beliefs of the Black Hundreds. The final years of Stalin's life were marked by the noticeable fueling of anti-Semitism. It would not be much of an exaggeration to assume that if he had not died, we would have witnessed another example of the repression of a whole nationality.

Given the existence of fairly strong traditions of anti-Semitism in the country, it is not surprising that recurrences of these feelings extended beyond the common mentality right up to the relatively recent past. Of course, it would be wrong to exaggerate the popularity of these views or to assign them some kind of influence in state foreign policymaking. The only purpose of this digression is to point out certain aspects of domestic politics which are not given extensive coverage in the press but which are part of the overall context in which the official approach to the Middle Eastern problem is planned and implemented.

If we view this issue from the standpoint of policymaking, the increasing preference we gave to the Arab side in the Arab-Israeli dispute from the 1950s on was largely a result of the common identification of Israel with the classic colonial powers, especially after the triple aggression in 1956. Looking back today, it is apparent that this was probably not a perfect analogy. Nevertheless, this did radically change our whole view of the conflict: It was moved into our familiar system of coordinates with two axes—"imperialist aggression" vs. "the national liberation movement"—permitting no variance in preferences. But this was not all.

#### From the Vantage Point of Global Confrontation

As we have already pointed out, the autonomous dynamics of the Middle East conflict were colored by the fact that the line of demarcation in the Middle East coincided with the line in the global confrontation of the two world systems from the 1950s on. People in Moscow and Washington tended to view this problem through the prism of mutual strategic confrontation. Furthermore, these approaches took shape at the height of the "cold war" and the prevailing black-and-white view of the world. People at both ends of the spectrum were preoccupied with recruiting the young states of the Middle East as their potential allies after these states escaped the control of the declining mother countries.

The machinery of this recruitment was almost the same on both sides. There was an emphasis on sending weapons and specialists to these countries. Because many of the Middle Eastern states were involved in internecine conflicts, the logic of confrontation quite naturally suggested that your ally's enemy was your enemy as well. This is how a great power with global commitments was drawn into local battles. Furthermore,



when one side in a local conflict suddenly saw its local opponent asking one of the superpowers for support, it had essentially no other choice but to ask the other for assistance.

Oil was another factor which began exerting the strongest possible influence in the 1950s. The Americans openly justified their interests in the Middle East with references to the need to secure uninterrupted shipments of oil.

The involvement of the great powers in local Middle Eastern problems had several negative consequences. Above all, it did not help to settle the conflicts but tended to perpetuate them instead, and in some cases even to escalate them in the vertical sense—by augmenting the military potential of the direct participants—and the horizontal sense—by involving more and more new countries in the conflicts. Objectively speaking, the confrontational rules of play meant that the involvement of the great powers in a regional conflict essentially precluded its resolution. The reasons are understandable.

First of all, the possibility of military resolution was virtually excluded because the patron states always had the resources to raise the stakes by giving their proteges additional military assistance (to the point of sending their own troops into battle) whenever they were in a difficult position. Incidentally, it seems that in November 1956 Moscow's threats to use missiles were less effective than the completely realistic prospect of the appearance of Soviet volunteers in Suez and Port Said (in combination with Washington's clearly expressed disapproval of the tripartite action) in forcing London and Paris to retreat. In any case, there was no other interpretation for the Soviet Government's warning that "we are fully determined to use force to crush the aggressors and restore peace in the East."<sup>2</sup>

Later, after they had learned from bitter experience, the USSR and the United States took a different approach to the new 6-day Arab-Israeli war which broke out on 5 June 1967. Although Moscow and Washington clearly sympathized with opposite sides in the conflict, the two powers shared a common interest in the main thing: preventing the escalation of the conflict and promoting the quickest possible cessation of hostilities. In essence, this was the first limited experiment in constructive Soviet-American interaction in the resolution of a regional conflict. Methods of settling the conflict between Israel and the Arabs were discussed at length during A.N. Kosygin's talks with L. Johnson in Glassboro (New Jersey) on 23 and 25 June 1967. It was during these talks that an agreement was reached on the basic outlines of the fundamental principle of "land in exchange for peace,"<sup>3</sup> which lay at the basis of UN Security Council Resolution 242 of 22 November 1967—the cornerstone of Middle East settlement. (Of course, we must be objective and admit that we did not make any special effort then to publicize our agreement with this principle.)

To the uninitiated, the October crisis of 1973 did not appear to cool down Soviet-American relations either. The very fact that the United States responded to misunderstandings over the second cease-fire by putting all of its nuclear and conventional forces on alert on 24 October indicates how high the stakes were in this crisis.<sup>4</sup>

These examples are certainly not a complete list of the cases in which the Middle East conflict aggravated Soviet-American relations. The integration of the Middle East conflict into the global context of the relations between the two superpowers hurt everyone. On the one hand, when the countries of the region tried to settle the conflict on the local level, they turned out to be the hostages of the current state of Soviet-American relations. In turn, these relations could depend on certain unpredictable events in the Middle East with strictly local origins.

### New Trends

The new trends in international affairs beginning in 1985 did not bypass the Middle East. The apparent change in the model of USSR-U.S. interrelations in regional affairs was especially significant for the states of this region, just as it was for countries in other conflict zones. This process is still in the initial stage. The general direction of movement, however, is quite clear: from confrontation through dialogue, aimed at revealing and expanding the zone of common interests, to mutual understanding and, if possible, to interaction for the commencement of at least some aspects of regional settlement.

The new features of Moscow's relationship with Washington on the regional level will have the most immediate effect on the theories of national security, the priorities of internal development, and the stereotypes of behavior in communication with the outside world that the regional participants in conflicts developed over the postwar decades in response to the behavior of the superpowers. Even in the recent past, they usually based their military organization and foreign policy undertakings on the basic premise of the conflicting interests of the USSR and the United States in the region. Now these same countries are beginning to discover—and not all of them feel comfortable with the discovery—that it is much more farsighted and convenient to base their policies in regional and world affairs on the expectation of interaction, and not competition, by the two superpowers.

Of course, developments in the Middle East are certainly influenced by the state of affairs in other conflict zones. Although these processes are painful and erratic and are accompanied by standstills and regression, there is reason to acknowledge real progress in the settlement of such dissimilar conflicts as the Namibian-Angolan conflict and the conflicts in Central America and Cambodia. It is still too early to talk about perceptible progress in the settlement of the Middle East conflict but we can acknowledge the maturation of the prerequisites for a breakthrough in the future.

These prerequisites include the changes in Soviet and U.S. approaches to regional problems in general and the Middle East conflict in particular.

Let us begin by taking a look at the Soviet Union. The main change is that we are finally learning to formulate our national interests not on the basis of false concepts of prestige, but on the genuine interests of the people, with a view to a peaceful future—in relations with the outside world in general and in relations with specific regional segments of the outside world, which naturally include the Middle East.

Until recently, it seemed quite logical that if our friends in the Third World were almost automatically taking the Soviet side in global affairs, we would return the favor, without taking much time to mull over the situation, by supporting them in regional affairs. In essence, however, it is just as abnormal for a great power to undiscerningly take the side of a friendly country in a conflict as for a small developing state to blindly follow in the footsteps of its patron. The two have their own specific national interests. We are now arriving at this realization and are starting to act accordingly, although the reorganization of intergovernmental relations, in contrast to internal reforms, is certainly not a sphere where everything depends on us, but a sphere in which unilateral action cannot always be the answer, a sphere where persuasive effort and painstaking work with partners are necessary.

Another change of fundamental importance which was made in line with the new political thinking was the basic realization that the use of force and threats of force are unacceptable ways of achieving political, economic, or other goals. Our adherence to this fundamental principle was demonstrated by the withdrawal of Soviet troops from Afghanistan. Incidentally, this action produced a perceptible positive return in the Middle East by removing a serious obstacle which had hampered Soviet relations with many Muslim countries.

The emphasis on the de-ideologization of intergovernmental relations literally emancipated Soviet diplomacy, including diplomacy in regional conflicts. The taboos on contacts with ideologically hostile parties, which did not serve the state interests of the USSR or the interests of regional settlement, were repudiated. Dialogue with all political forces with any real influence, regardless of their ideological views, became the rule. As for the Middle East, this region had never witnessed such active Soviet diplomacy before. The USSR foreign minister's trip to five countries in the Near and Middle East (Syria, Jordan, Egypt, Iraq, and Iran) in February 1989 became a milestone. The main event of the trip was E.A. Shevardnadze's talks with Israeli Foreign Minister M. Arens, Chairman Y. Arafat of the PLO Executive Committee, and the Egyptian leadership in Cairo.

The new flexibility is also apparent in the Soviet approach to the very purpose of settlement. It presupposes a willingness to support any moves as long as they

are productive and will lead to a comprehensive solution. As for the settlement mechanism, here the Soviet Union is adhering firmly to the following position: The optimal forum for the achievement of a comprehensive settlement of the Arab-Israeli conflict and its key problem, the Palestinian problem, will be an international conference, viewed as a process of concerted effort on many levels. The USSR favors the consideration of numerous options before and during the conference and a combination of bilateral, trilateral, and multilateral forms of work within the conference framework.

Today it would be wrong to deny the need to use bilateral channels. The Camp David peace process which resulted in the normalization of relations between Israel and the largest country in the Arab world, Egypt, would seem to attest to their efficacy. It would also be wrong, however, to think of bilateral instruments as something omnipotent, because the problem of Palestinian self-determination cannot be solved simply by rectifying Israel's bilateral relations with any individual Arab state. The Palestinian problem is regional and international by virtue of its origins and present status. Besides this, there is another aspect—the guarantee of future agreements. For this reason, just as a conference is not an alternative to direct bilateral talks, the latter cannot take the place of the international mechanism. The best way of finding a solution would not entail confrontation between these two approaches, but their organic synthesis.

The issue of diplomatic relations with Israel warrants discussion in this context. There is no question that if the matter is discussed in abstract terms, the ideal situation would necessitate diplomatic relations with all states in the world, regardless of disagreements over certain specific issues. We have had to pay too high a price for dogmatic and uncompromising policies. We must be guided by the main objective in the Middle East—the establishment of a lasting just peace in the region, based on a balance of interests, and the elimination of a permanent seat of military danger located in direct proximity to our homeland's southwestern border. This problem, which has diverted our attention from the need to establish and develop peaceful cooperation with the outside world, including all of the Middle Eastern states, must be removed from the foreign policy agenda. I think there is nothing wrong about being somewhat pragmatic in the pursuit of this goal. Today the prospects for a Middle East settlement depend primarily on Israel—or, more precisely, on the present leaders of the Likud bloc, who do not accept the principle of "land in exchange for peace," reject the idea of an international conference, do not recognize the Palestinians' right to self-determination and to a state of their own, and refuse to recognize the PLO or to engage in dialogue with it.

What would the political implications of our consent—with a view to present realities—to restore diplomatic relations with Israel be? There is dialogue between our countries, including dialogue on high levels; our consular groups are functioning; the problem of Jewish emigration from the USSR, which was once a stumbling-block,

has been eliminated in line with the Vienna Final Document. Therefore, it would be quite reasonable to consider the resumption of diplomatic relations with Israel in the context of the beginning of the peace process in the Middle East. It is no secret that Israel is interested in restoring diplomatic relations with us. Let this interest be another factor motivating it to reconsider its position.

During these years changes have also taken place in U.S. attitudes toward the Middle East conflict and its main protagonists, although these changes are certainly not equivalent to the changes in Soviet policy. Above all, there has been a change in the U.S. attitude toward Israel.

For many years most of the American public sympathized with Israel in any clash in the Middle East. This is still true to some extent, but there have also been significant changes. Israel has lost the martyr's halo of moral infallibility. The Israeli invasion of Lebanon in summer 1982, which led to the tragedies in the Sabra and Shatila Palestinian refugee camps, could be taken as the possible starting point of the lengthy and paradoxical process of the transformation of Israel's image in America.

Furthermore, the American Jewish community is displaying increasing independence in its thinking and behavior. Its members are beginning to realize that the interests of American Jewry—an influential religious and ethnic group within the United States—are not identical to the state interests of Israel. This has been accompanied by the relative reduction of the American Jewish community's opportunities to influence Washington officials. Consequently, because this community was and is the main backer of Israeli "concerns" in the United States, it is becoming much more difficult for the Israelis to win U.S. support for their position in each new case.

It is significant that the disappearance of the automatic preference for Israel in American policy in the Middle East is apparent even among members of the Democratic Party, who have traditionally defended Israel. The process is even more distinct on the Republican side of American politics. Judging by all indications, President Bush is much less dependent on the pro-Israeli lobby than his predecessors were, and he is consequently less likely to be influenced by it. He owes these groups little for his election. Several members of the Bush administration have substantial business interests in the Arab world. Finally, the Arab community in the United States, which has been acquiring more influence in recent years, is represented in the Bush administration on a fairly high level—Chief of White House Staff J. Sununu. The following fact is indicative. In 1986, when Sununu was governor of New Hampshire, he refused to join the governors of the 49 other states in signing a declaration protesting the well-known 1975 UN resolution defining Zionism as a form of racism.<sup>7</sup> We can certainly say that this kind of defiance would have cost

him his political career not long ago. Sununu's appointment to such an important office in spite of the unequivocally expressed objections of Zionist groups offers more proof of the declining importance of the Israeli factor in U.S. domestic politics. To put it concisely, Israel no longer has the right to veto any U.S. moves in the Middle East.

The apparent separation—even if only in the form of a timid dotted line at this point—of U.S. Middle Eastern policy from Israel is quite understandable in general. Whereas the concept of national interests in our country was still in the embryonic stage until just recently, in the United States it was elaborated in detail long ago. In spite of this, Washington frequently pursued a line in Middle Eastern affairs that conflicted with U.S. national interests even in their traditional interpretation. This is evident to anyone who takes a look at the Arab world, with its geostrategic importance and colossal human and natural resources, imagines the role it will be playing in the 21st century, and then compares all of this with the same parameters in Israel. The Arab states should, have been of much greater interest to the United States than Israel, even from the standpoint of the global competition of the two systems. This, however, was not the case.

Many members of the American establishment still conceive of a solution to the Middle Eastern problem based exclusively on unilateral concessions by the Arabs. The following sentence from an article in *COMMENTARY*, a magazine sponsored by the American Jewish Committee, is quite typical in this respect: "The people who want a settlement should pray that the Arabs, and not the Israelis, change course."<sup>8</sup> Here is a statement from *THE NEW REPUBLIC* reflecting a common point of view in the United States: "The Arabs, who conquered more civilizations than any other people in history, do not recognize the inevitability of national coexistence."<sup>9</sup>

Even on this limited scale, however, much more active American diplomacy in the Middle East turned out to be possible. In essence, between the time that Ronald Reagan announced his plan on 1 September 1982 and the end of his presidency, the central conflict of the Middle Eastern region—the Arab-Israeli conflict—was not on the list of the Washington administration's foreign policy priorities, in contrast to the Iran-Iraq war and the conflict in Lebanon. At the very beginning of 1988, however, Secretary of State G. Shultz announced a fairly complex, if not to say confused, settlement plan, representing an attempt to combine the comprehensive approach with the "intermediate measures" and "small steps" the Americans have traditionally preferred. The underlying motives were certainly understandable. The United States simply could not afford not to react to the qualitative change in the situation in the Middle East, to the changes in the positions of the sides, and to the more active Soviet diplomacy in the region. It is also possible that when the "Shultz plan" was being drawn up, people in the State Department realized that it had no chance of being implemented. It would have been ridiculous to



expect any progress in this extremely complicated undertaking in an election year in the United States and in Israel. It is more likely that the Reagan administration's final burst of activity in the Middle East (including the decision of 14 December 1988 on direct dialogue with the PLO) was seen as a bridgehead for the Middle Eastern policy of the future administration. At the same time, Washington was signaling the revival of its interest in Middle Eastern affairs.

Furthermore, and this is extremely indicative, the failure (which was largely programmed in advance) of the "Shultz plan" was used as proof that the comprehensive approach to Middle Eastern regulation "did not work." Today the platform of the Bush administration consists largely in the encouragement of Israeli dialogue with the Palestinians on terms acceptable to the Israelis. In 7 years, therefore, American diplomacy moved from attempts to formulate its own scenario of comprehensive settlement—the "Reagan plan"—through the compromise "Shultz plan" with its "marriage" of different approaches, to the inflexible emphasis on intermediate measures.

The revival of the U.S. interest in Middle East settlement was revealed in two serious changes in the American position. One has already been mentioned: the change in attitudes toward direct dialogue with the PLO. Predictably, Likud reacted to Washington's decision with unconcealed anger. The other change was the American leadership's gradual acquisition of a more realistic view of the Soviet Union's role in the Middle East. Official statements suggest that the United States was able to make some adjustments in its views of the USSR's role in Middle Eastern affairs solely because the Soviet Union's own policy in the region had changed. This underestimates the necessarily reciprocal nature of the adjustment of the Middle Eastern lines of the two powers.

Just as in the past, all American official documents invariably stress that one of the main goals of U.S. strategy in the Middle East is the "containment of Soviet influence."<sup>10</sup> It appears, however, that the fundamental premise of early Reaganism, according to which the removal of the USSR from the Middle East was regarded as an essential condition of a peace settlement, has been rejected. Bush made some extremely indicative remarks at the joint press conference at the end of the Malta Soviet-American meeting. He acknowledged that "it is possible that the United States has not always seen how constructive a role the Soviet Union can play (in the Middle East—N.S.)."

Today there is more widespread acknowledgement, although without any joy, that Middle East settlement would be impossible without the participation of the Soviet Union—in some form or another and at some stage or another. Frequently this implies only "selective cooperation" with Moscow, aimed less at the final settlement of the conflict than at the "regulation" of its forms. There have also been the familiar warnings to

verify the "seriousness of Soviet intentions."<sup>11</sup> Nevertheless, the new emphasis in U.S. policy in the Middle East offers an opportunity for the intensification of the non-confrontational, substantive discussion of Middle Eastern issues by the Soviet Union and the United States. The further constructive evolution of the American approach could occur within the context of this exchange of views.

To avoid misunderstanding, we must stipulate that the new features of this approach still have not affected the main priorities of the U.S. line with regard to Middle East settlement. Here is a list of these priorities.

1. Above all, every effort is still being made to strengthen relations with Israel. A policy document prepared in 1988 for the new administration by a bipartisan group co-chaired by former Democratic presidential candidate W. Mondale and L. Eagleburger, who was later appointed deputy secretary of state by George Bush, is one example. The authors of the report felt that one of the future President's first moves should be the confirmation of the "mutual trust based on strong ties, close consultations, and inviolable commitment to the security of Israel."<sup>12</sup> The same idea was expressed by R. Hunter, one of the leading American authorities on Middle Eastern affairs: "The U.S. commitment to the survival and security of Israel must be unconditional."<sup>13</sup>

2. Although there is real concern about the scales of the arms race in the Middle East, there is still an emphasis on the reinforcement of Israel's military potential rather than on measures to curb the race. "Preserving Israel's military superiority is the only way of guaranteeing its security and discrediting the Arabs' military option."<sup>14</sup>

3. In view of Israel's probable reaction, Washington is still not ready to recognize the Palestinians' right to self-determination, right up to the point of establishing an independent state. It has not gone beyond the acknowledgement that the Palestinians have "legitimate rights."

#### Between Anxiety and Hope

Now we will take at least a brief look at what happened in the Middle East in the second half of the 1980s to see what kind of changes in the balance of power and in opinions there made the new approaches of the great powers possible. The main thing seems to be that the most diverse political, ideological, and religious groups throughout the Middle East arrived at the certainty that the Arab-Israeli conflict is ripe for settlement, that the preservation of the status quo could cause an explosion, and that the fall-out from this explosion would almost certainly cross regional boundaries. The decisive role in the spread of these views was played and is still being played by the Intifadeh—the non-violent uprising of the Palestinians living in the occupied territories, which has been going on since December 1987 and essentially represents a campaign of civil disobedience reminiscent in many respects of the famous campaigns inspired by Mahatma Gandhi in India in the 1920s and 1930s. The

Intifadah has offered conclusive proof to all sides in the conflict that there cannot and will not be a return to the earlier situation. The upper echelon of the Israeli government has now realized that it cannot use the old methods of administration any longer. The recognition of the urgent need for some kind of practical steps to end the deadlock is affecting the behavior of all sides in the conflict to an increasing degree, although in different ways.

Several destructive factors also came into being during those years, offering arguments in favor of immediate measures to settle the conflict through concerted effort. The arms race in the region, for example, is picking up speed and is acquiring qualitatively new parameters. Several countries in the Near and Middle East have acquired surface-to-surface intermediate-range ballistic missiles (according to American data, ten countries in the region now have these missiles). Several states acquired the potential for chemical warfare. American military experts believe that at least two states with intermediate-range missiles have developed chemical warheads for them. The proliferation of highly accurate intermediate-range missiles could lead to a situation in which all sides in the conflict would be tempted to deliver a first strike. Wherever the danger of a first strike exists, there is also the temptation of a pre-emptive strike.

The proliferation of weapons throughout the Middle East is occurring at a time when the USSR and the United States are destroying their own missile systems in accordance with the INF Treaty. For the Soviet Union this is a matter of more than abstract interest. The missiles deployed in the Middle East are completely capable of reaching its southern outlying regions. Therefore, it is no coincidence that the USSR and the United States included the topic of the prevention of the spread of missiles and missile technology on the agenda of bilateral talks by mutual consent.

Besides this, the cessation of hostilities on the Iran-Iraq front in August 1988, which freed the energy of two giant regional power centers with their own interests and ambitions, could also have an unpredictable effect on the Middle East peace process. We can assume that the regrouping of political forces in the region as a result of this event will put an additional burden on the fragile bases of regional stability for some time.

People inside and outside the region are seriously alarmed by the fact that the move toward pragmatism by policymaking groups in the Middle East is being accompanied by the polarization of forces in the Arab world and Israel and by the radicalization of the left and right flanks. Arafat and his supporters, for example, are having trouble restraining extremist impulses among young Palestinians. Many are angry because they feel that he had no right to agree to major concessions without receiving anything in exchange. Some Palestinians are being influenced by Islamic fundamentalism. In Israel there is also an inclination to look for simple

solutions (i.e., those based primarily on military force). Proponents of orthodox Zionism have been active. It is obvious that if the supporters of the hard line on both sides should manage to take charge, military confrontation will be unavoidable.

Terrorism, specifically in the form of political assassinations and the taking of hostages, is a chronic symptom of the feverish Middle East. Extremist actions in the region contribute to the destabilization of the situation, making it unpredictable, undermining the authority of officials advocating dialogue, and providing radicals with trump cards. Besides this, the terrorists agitate public opinion. As a result, when the American President plans U.S. strategy with regard to Middle East settlement, he must do this with a view to the problem of the American hostages in Lebanon.

All of these facts, however fragmented they might seem, confirm that the present situation in the Middle East necessitates immediate steps toward a comprehensive settlement of the conflict.

The main event of recent years was the declaration of the independent State of Palestine at a special session of the National Council of Palestine on 15 November 1988. At the same time, the PLO recognized UN Security Council resolutions 242 and 338, acknowledged Israel's right to exist, and renounced terrorism. The ambiguity of the PLO's position was cleared up in several subsequent statements by Arafat. This eliminated the obstacles the United States and Israel had been using as excuses to boycott the PLO. Another important event was the complete reintegration of Egypt into the Arab world. The combination of these new developments provided strong momentum for political and diplomatic activity in the Middle East.

In April 1989 Israeli Prime Minister Y. Shamir, the leader of the Likud bloc, suggested elections for the Palestinian population of the West Bank of the Jordan River and the Gaza Strip. According to his plan, the election results would serve as the basis for forming a Palestinian delegation for discussions with Israel on the granting of autonomy to the West Bank and Gaza Strip in the transition period. The final status of these territories was to be negotiated later. Israel's willingness to hold elections was linked with the acceptance of several conditions by the Palestinians. By absolute standards, it was an extremely half-hearted proposal, but for the Israeli leadership it was almost a revolutionary advance, because no Israeli government to date has agreed to any kind of talks even with "appointed" Palestinian representatives. The most Israel was prepared to accept was the inclusion of Palestinians in the Egyptian or Jordanian delegations. The "Shamir plan" actually signified the acknowledgement by Israeli ruling circles of the immutable fact that no one can replace the Palestinians at the negotiating table.

Of course, the PLO leadership could not accept the "Shamir plan" in its original wording. Nevertheless, it

did not reject the idea of elections outright. The PLO would need definite guarantees, however, before it could sanction the idea of elections. It is of fundamental importance to the PLO that the elections be part of a comprehensive peace process which will lead to the exercise of the Palestinian people's right to self-determination and to an independent state of their own. As for the elections themselves, the Palestinians have suggested that they be conducted under UN auspices and in the presence of UN forces.

The 10-point peace plan proposed by Egyptian President H. Mubarak on 11 September 1989 was supposed to reconcile the approaches of Shamir and the PLO. The main purpose of the plan was to bring the Israelis and Palestinians together and help them begin a substantive discussion of elections in the occupied territories. All of Israel's basic concerns were taken into account in the plan, but progress was impeded once again by the negative position of the Likud leadership: Shamir called the discussions Mubarak proposed "surrender talks."

Later, however, when the Americans entered the game by offering their own interpretation, which turned out to be virtually identical to the Israeli one, of the framework for the Palestinian-Israeli dialogue (the "Baker plan"), Israel agreed to talk to Palestinian representatives about the elections. It is true that it gave its consent in a form which suggests that this one step forward might be followed by two steps backward, as has been the case so many times in the past.

Who would have thought, for example, that the gradual moves to establish closer ties between the USSR and Israel and the increase in Jewish emigration from the Soviet Union would lead to an outburst of vehement mutual recriminations among the participants in the Arab-Israeli conflict and the sides involved in it? Nevertheless, this is exactly what happened. The lifting of restrictions on emigration from the USSR to Israel sent a torrent of Soviet Jews to Israel (according to the preliminary data of the Ministry of Foreign Affairs, more than 102,000 people left the Soviet Union in 1989, or 3.4 times as many as in 1988). We can assume that the continuation of emigration from the USSR to Israel on this scale for the next few years would definitely change the demographic situation in the region. This forecast naturally agitated radicals on both sides of the Arab-Israeli line of demarcation. It aroused strong emotions. Israeli politicians, including the head of the government, began discussing the need to hold onto the occupied lands for the settlement of the new arrivals. The specter of "Great Israel" was resurrected. Understandably, this turn of events aroused the indignation of the Arabs and fostered feelings of discontent and even hostility toward the Soviet Union.

Nevertheless, an unprecedented historic opportunity to begin moving toward a comprehensive solution to the Middle Eastern problem now exists. Well-known American correspondent E. Lewis wrote that "the two sides have been so close, so agonizingly close to face-to-face negotiations."<sup>15</sup> This opportunity must not be missed.

This naturally makes us wonder what the USSR and United States can do to prevent the loss of this opportunity. The time has probably come for them to set aside their own political and ideological ambitions and preferences, to set aside what might be termed "their image," and support, with all of the strength of their authority, any steps contributing to a comprehensive political settlement in the Middle East, including local initiatives.

Yes, it is true that the sides in the Middle East conflict are still distinguished by pronounced differences of opinion, but recently their policies have revealed one fundamental zone in which their priorities coincide. Whereas the conflicting parties once planned to safeguard their own security and solve the Middle East problem primarily, if not exclusively, by military means, now they are more likely to perceive the guarantee of security as a political process. It is in the interest of the world community to support this tendency and assist in its consolidation.

#### Footnotes

1. THE NEW REPUBLIC, 22 May 1989, p 24.
2. "SSSR i arabskiye strany. 1917-1960 gg. Dokumenty i materialy" [The USSR and the Arab Countries. 1917-1960. Documents and Materials], Moscow, 1961, p 259.
3. Ibid., p 258.
4. Ibid.
5. L. Johnson, "The Vantage Point. Perspectives of the Presidency. 1963-1969," New York, 1971, pp 298, 483-484.
6. "The Memoirs of Richard Nixon," New York, 1978, pp 937-940.
7. TIME, 28 November 1988, p 25.
8. COMMENTARY, October 1988, p 42.
9. THE NEW REPUBLIC, 22 May 1989, p 24.
10. See, for example, "National Security Strategy of the United States. Report of the President to the Congress" (DEPARTMENT OF STATE BULLETIN, vol 88, No 2133, April 1988, p 22); "Building for Peace. An American Strategy for the Middle East," Washington, 1988, p 4.
11. "Building for Peace," p xxi.
12. Ibid., p xv.
13. FOREIGN POLICY, Winter 1988/89, p 17.
14. "Building for Peace," p xvii.
15. INTERNATIONAL HERALD TRIBUNE, 2 October 1989.

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## Interaction and Conflicts Between FRG and United States

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[Text] Relations between Bonn and Washington transcend the bounds of traditional bilateral intergovernmental relations. They have a much more important role to play in the international arena.

American-West German relations have always been high on the list of foreign policy priorities in the FRG and the United States. All of the governments of the FRG have regarded relations with the United States, just as West European integration, as the foundation of their foreign policy. When Chancellor H. Kohl presented his policy statement in the Bundestag on 18 March 1987, he stressed that "friendship and close cooperation with the United States of America are of vital importance to the Federal Republic of Germany. They are vitally necessary for the unity of the alliance. They give us a chance to influence and participate in its activities. They increase the possibility that our German and European interests will be reflected in all decisions concerning the policy, strategy, economics, and finances of the Western community."<sup>1</sup> As far as the United States is concerned, constantly growing cooperation with the FRG has become one of the main areas of its policy in Western Europe.

Several factors helped Washington turn Bonn into a more significant ally: the FRG's possession of the strongest economic potential in Western Europe; the special nature of its participation in NATO and the dimensions of its military contribution; the long-range emphasis of the FRG ruling elite on cooperation with the United States, the constant augmentation of the functions of mutual relations, as a result of which the contacts between Washington and Bonn have become one of the central elements of the decisionmaking mechanism in situations involving problems of a regional (European) nature, and sometimes of a global nature.

Whereas the first three factors have been analyzed in sufficient detail in Soviet and foreign scientific and political literature, little has been said about the functions of American-West German relations, even though they help to reveal the reasons for the important role they play in today's world.

### I

Originally, in the 1950s, both states were primarily concerned with correcting the problems engendered by World War II and organizing all-round cooperation. The main function transcending the bounds of bilateral relations was the interaction in active opposition to

socialism. In those years West Germany had to submit directly to the political will of the overseas victorious power and could not even conceive of becoming its favorite ally.

The first qualitative changes were connected with the formation of the European Economic Community and the United States' efforts to keep the process of West European integration under control. In the international atmosphere of the 1960s, Washington saw the FRG—the nation with the strongest economic potential in Western Europe and the second-strongest in the capitalist world—as the only force capable of influencing the nature of West European integration. The FRG's interest in maintaining the indissoluble ties between Western Europe and the United States was particularly important in this context. It strengthened the ally relationship between Washington and Bonn and added an interregional function to their relations, namely the transformation of the nature of U.S. relations with Western Europe.

In the late 1960s and early 1970s the "new eastern policy" introduced fundamental changes into the nature of West German relations with the United States. The normalization of the FRG's relations with the USSR and other European socialist countries not only lessened its dependence on Washington (which had virtually represented West German interests in dealings with this group of countries in the past), but also augmented the foreign policy capabilities of the FRG considerably and made it one of the most interested participants in the development of East-West relations.

In the second half of the 1970s American-West German relations acquired a new function—the planning of measures to surmount crises in the capitalist economy (cyclical, currency, energy, and others) and neutralize the negative effect of economic rivalry on political relations. The acknowledgement of their interdependence and their inability to cope with crises on their own motivated the leading Western states to coordinate their actions in the creation of a joint mechanism to lessen economic disparities.

Relations between Bonn and Washington were more qualified than any other bilateral relationship in the Western world to perform this function. The United States and the FRG were among the states with the strongest economic influence in the West. The economies of these countries were closely interrelated. The intermeshing of American and West German capital played an exceptionally important role in this and in their relationship as a whole. Furthermore, the experience of political contacts with the United States taught Bonn how to compete within the framework of the alliance and to make physical sacrifices for the sake of political goals.

West German leaders were ahead of the leaders of other Western countries in acknowledging interdependence and the potential danger of economic upheavals. They

demonstrated their wish to contribute to the stabilization of economic processes, their ability to organize a search for compromises, and their willingness to contribute the necessary material resources, including the resources needed to maintain the dollar exchange rate. An important role in these processes was played by H. Schmidt, who made a great effort to organize interaction with the United States and other Western states in his capacity as finance minister, defense minister, and federal chancellor. In this sphere as well, the American administration had reason to distinguish between the FRG and the other West European states. The actions of other countries could not compare to the FRG's financial support of the dollar.

The West German leadership was one of the first to realize the importance of science and technology in today's world. It always assigned great importance to the technological function of its relations with the United States, and this promoted stronger cooperation between Bonn and Washington. When the Reagan administration was drafting the SDI, it made a special effort to encourage Bonn to take part in the program. The FRG Government was ahead of the other West European governments in concluding an official agreement with the United States on participation by its firms and organizations in the work of creating the "space shield."

The expansion of the sphere of American-West German relations led to qualitative changes. The all-round dependence of occupied West Germany on the United States, the victorious superpower, was quickly replaced by strong interdependence.

In this respect, American-West German relations are unparalleled in the West. Although this does not diminish the importance of other bilateral relations in the least, no other leading West European country has the same intricate intermeshing of relations, interaction, and conflicts with Washington as the FRG. No other bilateral relationship in the Western world requires so much effort to maintain the interaction. This phenomenon warrants more thorough examination and analysis because these countries are not natural allies with a lengthy common history, but states which could not fail to have diverging interests and goals in virtually all areas of international relations, states distinguished by unavoidable conflicts stemming from objective causes.

## II

The American-West German conflicts stem from differences in the potential and geostrategic location of the two states and, consequently, differences in their political approaches to many important international issues. The interests of a global power, the strongest military power in the West, a country rich in raw materials and energy resources and with relatively little dependence on foreign economic ties, differ fundamentally from the interests of a state located in the center of Europe, at the

point where the states of the two systems and military-political alliances come into contact, a country distinguished by high population density and an economy directly dependent on the successful functioning of commodity exchange, a state whose history not only continues to arouse suspicion and fear in the West and the East but also fetters its own government. This gives rise to corresponding substantial differences between the foreign policy goals and priorities of the two states, the methods of attaining them, the need to consider the views of partners in the international arena, etc. Under present conditions, the development and consolidation of cooperation are being accompanied by difficulties in settling disputes and coordinating the policy lines of the United States and the FRG.

Conflicts over the fundamentals of economic policy have remained acute in all phases of American-West German relations. In spite of the differences in the economic ideas of different presidential administrations, the United States has persisted in using the resources of its allies to solve the most acute problems in its own economy. This characteristic feature of Washington's policy, combined with the negative effects of the economic policy of the leading country in the West on the economic affairs of its partners, has always given rise to acute conflicts. Ruling circles in the FRG feel that the United States is responsible for inflation in the West. For almost two decades Bonn has been disturbed by the rising bank interest rates in the United States, the manipulation of the dollar exchange rate, and the failure to consult the allies before the American administration makes important decisions affecting the interests of other countries.

For example, the stock market crash in the United States and the abrupt decline of the dollar exchange rate in fall 1987 had a serious effect on American-West German relations. Then U.S. Secretary of the Treasury J. Baker blamed this on the anti-inflationary policy of the German Federal Bank and demanded immediate assistance. Then U.S. Ambassador to the FRG R. Burt felt that the measures the bank took (West Germany spent a huge amount, exceeding 8 billion West German marks, to prop up the dollar exchange rate—for what must have been the hundredth time!) were insufficient and warned against "chauvinism," evoking an official protest from Bonn.

The growing deficit in the American balance of payments is a matter of constant concern in the FRG. "If we cannot control the instability in the world economy, most of the causes of which can be found in the United States... we will all suffer greatly," SPD Chairman H.J. Vogel remarked.

The stronger protectionist measures in the United States aroused serious concern in the FRG. According to the estimates of famous American political scientist F. Sorensen, more protectionist bills were introduced in Congress in 4 years of the Reagan administration than in the 40 preceding years.<sup>2</sup> Many of them affected the FRG

directly. Bonn was particularly concerned about the 1988 U.S. Trade Act. West German spokesmen commented on the protectionist nature of the law and asked Washington to refrain from measures of this kind in the future if possible.

American-West German relations clearly illustrate how the effects of economic competition on the policy lines of these countries have changed under the conditions of interdependence. Concern about internal economic welfare convinced ruling circles in the FRG of the need to promote the economic stability of its partners, particularly the United States.

Bonn and Washington attach great significance to the coordination of economic policy on the levels of government and the business community. Agencies in charge of the circulation of money interact closely. Contacts between industrialists are organized. A joint office of two business associations in the FRG—the Federal Union of German Industry and the German Association of Industry and Trade—was opened in Washington in March 1988 for the better understanding of the political process in the United States and the protection of West German economic interests.

The FRG's commitment to the cause of West European integration has set objective limits on its support for Washington's policy line in conflicts between American and West European interests. Bonn is naturally interested in reducing Western Europe's dependence on the United States and in consideration for the economic, political, and military interests of West European states in the United States' own policy and in their coordinated policy line.

The development of integration processes in the region is regarded as one of the most effective ways of securing West European interests in the FRG. "It is pointless," H.D. Genscher wrote, "to complain about the United States, a great power, and criticize some of the shifts in its policy which are difficult to interpret from here, while doing nothing about European unification beyond taking a submissive pose. Even among friends, even in transatlantic relations, the degree of influence and level of cooperation depend on the country's own strength. When Europe has grown stronger through political unification, it can plan its future as an equal and full-fledged partner—i.e., an equal ally of the United States." The FRG took steps in this direction when it chaired the EC in the first half of 1988. Chairman J. Delors of the Commission of the European Communities had this to say in the European Parliament in July 1988 in this context: "In the last 6 months more decisions have been made for the development of Europe than in the 10 preceding years." Bonn has special hopes for the EC plan to complete the creation of a single internal market by 1992.

Although Washington supports West European integration as a sign of Western unity in principle, it has

expressed frank dissatisfaction with many of the concrete results of the process, especially the unified agrarian policy of the EC and the prospect of creating a single internal community market. Several American administration spokesmen have claimed that the United States has a right to take part in making such decisions, and this is naturally unacceptable to Western Europe, including the FRG.

Although Bonn has tried to strengthen Western Europe's position in competition with the United States, it has also made an effort to reduce the intensity of this competition and to combine further integration with the reinforcement of ties with the United States. It insisted on the approval of measures in the EC to facilitate exports of American goods. "The Federal Republic has always tried to play a constructive mediating role in relations with the United States," wrote Lower Saxony Finance Minister B. Broel.<sup>3</sup>

Considerable importance is attached to the community's firm adherence to close cooperation with the United States and to Washington's support of this process. In January 1988 H.D. Genscher stressed that "we cannot afford a trade war with the United States because of the development of East-West relations, and for this reason we are interested in Western integration."<sup>4</sup> In the actual implementation of its policies, however, Bonn has not only urged Washington to avoid open disregard for the interests of West European allies, but has also given the United States a chance to control the integration process to some extent.

A new problem has begun to worry the FRG in recent years—the development of integration tendencies in North America, which could lead to stronger protectionism and the neglect of West European trade interests.

It is indicative that Bonn is making an effort to regard many of the problems giving rise to differences of opinion with Washington as part of the overall conflict between American and West European interests. This tends to dilute the bilateral differences of opinion in the broader disagreements between the two centers, prevent them from having an adverse effect on the close relationship with the United States, and secure support for Bonn's position by other West European countries.

### III

Military cooperation is still the alpha and omega of American-West German relations. The United States assigns primary importance to this cooperation. American expert H. Mendershausen stressed in a special report prepared for the RAND Corporation that "the contacts between these two countries are essentially unparalleled in American-English and American-French relations." In turn, as R. Scholz said when he was FRG defense minister, "German-American relations constitute the nucleus of our security today and will continue to do so in the future." The concept of FRG security is based on American "nuclear protection" and the U.S.



military presence in Western Europe. Besides this, Bonn owes its rapid transformation into one of the leading Western military powers and an integral element of the NATO system largely to Washington.

Although both sides, especially the FRG, deny the allegations that their relationship is an "alliance within an alliance," they do have a "special relationship" within NATO. As a result of purposeful action by ruling circles in both countries, a diversified system of cooperation took shape. The armed forces of the United States and FRG supplement each other and constitute a powerful and well-trained military grouping with strength far superior to that of the armed forces of the other NATO members combined. The interaction between Bonn and Washington is still being developed and perfected. The conclusion of a group of sweeping agreements will expand the sphere of coordinated action. In particular, the agreement signed on 25 April 1978 on the collective bases of tactical planning led to closer cooperation between Bonn and Washington in the planning of weaponry and in the restructuring of armed forces and rear support. On 17 October 1978 the FRG defense minister and the U.S. secretary of defense signed an agreement on the principles of cooperation in the research and development, production, acquisition, and material and technical support of military equipment. This agreement, which was supplemented in 1983 and 1985, became the foundation of the joint development of the latest weapons.

On the basis of a governmental agreement between the United States and the FRG, within the framework of the American program of "support for the defensive side in wartime," massive undertakings on West German territory created an infrastructure for six additional American divisions, which would be deployed on FRG territory "in the event of a crisis or war," the construction or remodeling of airfields, runways, barracks, etc., and the special training of 93,000 Bundeswehr reserve soldiers to guard and secure military installations, transport movements, prisoners of war, etc.

The West German side had to take responsibility for a large share of the expenses of this agreement. The minor concessions Bonn acquired from Washington during lengthy and complicated negotiations were later virtually nullified by the American side. The U.S. Congress cut the funds for this program, and the "special metals amendment" to the defense budget in 1983 limited the possibility of sales of West German military products in the United States by interrupting transactions which should have compensated for at least part of the FRG's expenditures.

An agreement on the fundamentals of partnership in the air defense of central Europe, which was initiated in December 1983 and then signed in summer 1984 by the defense establishments of the two countries, gave the FRG the responsibility of providing American military bases in West Germany with air cover (and also meant that Bonn would have to buy American Patriot missile

launchers). West German servicemen were trained to operate and maintain these systems in U.S. military schools. In August 1987 the U.S. secretary of defense and FRG defense minister signed a governmental agreement on the joint production and delivery of RAM missile systems capable of detecting and destroying enemy ships. On 26 March 1986 an agreement on the joint production and sale of the Stinger weapon system went into effect.

In December 1988 military agencies in the two countries reached an agreement on mobilization planning for more thorough familiarization with the mobilization procedures and operational requirements in the two countries.

The United States and FRG played the deciding role in the deployment of American intermediate-range nuclear missiles in Western Europe. The Pershing II missiles were installed in the FRG not only ahead of schedule, but also in greater numbers than planned. When preparations began on the missile sites for an inspection by the Soviet side in accordance with the INF Treaty, it turned out that 114 launchers had been deployed in West Germany instead of the 108 mentioned in the 1979 decision.

In the middle of the 1980s the American administration was able to involve Bonn in the "Strategic Defense Initiative" program. "We expect," a U.S. Defense Department statement of 28 March 1986 said, "the participation of German firms and other establishments in SDI research to make an important contribution to the SDI research effort by heightening the effectiveness of the program, reducing the total cost, and expediting the work."<sup>5</sup> People in Washington expected the agreement with the FRG to facilitate the involvement of other West European states, scientific organizations, and firms in the development of space weaponry.

The Americans and West Germans negotiated the terms of FRG participation in the SDI for around a year, and on 27 March 1986 West German Minister for Economics M. Bangemann and U.S. Secretary of Defense C. Weinberger signed two secret agreements on the technical and legal aspects of participation by West German organizations in the American program. To assist the American administration in implementing the agreement, the FRG minister of economics formed an inter-ministerial coordinating body, the members of which included the heads of the concerned departments of the Ministry of Economics, Defense Ministry, Ministry for Research and Technology, and agencies of the Federal Chancellery. An office in the FRG Embassy in Washington was opened to facilitate contacts with the American side regarding participation in SDI-related projects.

The West German side's hope of obtaining large contracts and broad access to American technology, however, was unjustified. By the beginning of 1988, only 1 percent of the SDI contracts had been awarded to overseas firms, with half of these going to firms in the FRG. Congress favored the limitation of the access of

foreign firms to research projects, and this evoked vehement objections from Bonn. Bangemann called this decision "unacceptable."

The sphere of American-West German cooperation also included plans for the deployment of new types of chemical weapons in the FRG. When Congress linked the allocation of funds for the production of a new generation of chemical weapons, the binary weapons, with the assumption of the political responsibility for the production by the NATO countries, the U.S. administration turned to Bonn for assistance first. American-West German talks at the time of the conference of the leaders of the seven main capitalist countries in Tokyo in early May 1986 resulted in the FRG Government's declaration of its willingness in principle to deploy binary weapons on its territory on the following conditions: a) that the FRG would not be the only country in Western Europe with these weapons; b) that the United States would store them "in the event of a crisis" only with the consent of the FRG Government. Its consent would also be necessary for the use of the binary weapons.

The direction the military-political cooperation took in the middle of the 1980s seriously undermined the consensus that had taken shape over several years between the leading political parties in the FRG. The Kohl government's emphasis on military cooperation with the United States was pointedly criticized by the largest opposition party, the SPD, and by the public. They demanded that the chancellor's declared slogan of "more security with fewer weapons" be reinforced through action.

The FRG Government took some steps to neutralize the negative impact of the military-political undertakings on public opinion. In December 1988 the FRG informed its NATO allies of its intention to cut the number of large-scale maneuvers on its territory in half. In February 1989, when the joint work on the program to develop a new American-West German missile was reported to the public, the FRG leadership advised the suspension of the work. Bonn repeatedly urged Washington to agree to a chemical weapon ban and was instrumental in the issuance of the American statement in 1989 on the stepped-up withdrawal of these weapons from West German territory and on the decision not to deploy U.S.-produced binary weapons in Europe. There were heated arguments over the U.S. intention to promote a NATO decision in spring 1989 on the development of a new missile system with a range of up to 500 kilometers to replace the obsolete Lance missiles. Bonn insisted that the discussion of the new system be postponed until 1992 at the earliest.

The West German Government's position on this matter testifies that the close military-political cooperation with the United States and the continued dependence on Washington in this sphere did not eliminate the serious objective conflicts between the interests of the two countries. They also did not eliminate the rivalry which

has accompanied all NATO efforts to standardize weaponry for many years. Bonn wants deliveries of American weapons to NATO to be matched by reciprocal purchases of certain types of weapons by the United States in Western Europe, particularly the FRG. Even in those cases in which the weapons produced in West Germany were superior, according to experts, to American products, the United States has erected insurmountable obstacles to "two-way traffic" in arms purchases. One of the many examples of this is the FRG Defense Ministry's purchase of a special American system distinguishing between NATO planes and the planes of a possible adversary. According to experts, a similar system developed by the Siemens firm was more effective and more jamproof than the American system. Without conducting any of the comparative tests stipulated in an earlier agreement, the United States declared that the West German system was too expensive, decided to produce its own system, and then used the standardization slogan to force Bonn to arm itself with the U.S. system.

All discussions connected with the funding of FRG military programs and with the increase Washington demanded in the West German military budget were accompanied by serious differences of opinion. Although the budget of the FRG Defense Ministry increases each year, the increase in recent years has not reached the 3 percent in real terms the United States wants.

The United States and the FRG also have different approaches to NATO strategic concepts. Each of the allies wants a strategy minimizing the impact on its territory of possible military actions. This clash of interests has given rise to apprehension in Bonn and friction between the two countries over related issues, such as the continued presence of American troops in Western Europe, the reliability of U.S. guarantees, the role of NATO outside its "zone of operations" and, consequently, possible participation by the FRG in American military actions outside Europe, etc.

Relations between Bonn and Washington are periodically clouded by the fear of large groups in West Germany, including ruling circles, that the arms race could have a pernicious effect on their country, and by their suspicion that, in the event of an emergency, the American ally might not consider the interests of the country where the main NATO forces are located. Virtually every attempt in the United States or the FRG to propose alternative systems of security or to adapt NATO strategy to changing conditions causes friction in the relationship.

Serious worries were aroused in Bonn, for example, by a document entitled "Differentiated Deterrence," a report drafted by a group of high-level experts at the request of the Pentagon, offering their vision of American security policy up to 2010 and known as the "Ikle-Wohlstetter Report." In particular, the recommendation linking the

threat to use atomic weapons only with a nuclear attack on the United States, and not on its allies, aroused particular concern. People in Bonn interpreted this recommendation as an infringement of West German and West European interests, stressing the impermissibility of "zones of differing security." The authors' unconcealed emphasis on the development of the latest highly accurate nuclear weapons, including space and offensive arms, and on the delivery of strikes deep within the territory of the socialist countries alarmed Bonn because it was clearly inconsistent with the Western declarations of NATO's defensive nature and because it could have a negative effect on detente in Europe.

#### IV

Disagreements and conflicts between the United States and the FRG are also unavoidable in the sphere of East-West relations, where the two governments have made a special effort to coordinate their policy lines. The differing assessments of the policy of detente by ruling circles in the two countries are a source of permanent friction in American-West German relations, along with the diverging views on various international situations from the standpoint of their impact on East-West relations in Europe and the differing approaches to Western tactics and to several specific problems connected with relations with socialist countries, such as the role of political dialogue in the current international situation, the expediency of economic sanctions, the forms of struggle for human rights, etc. In all of these areas the FRG government has displayed an interest in the continued development of detente in Europe and, as a rule, a more flexible approach to the search for agreements with the USSR and other socialist countries.

The experience of the late 1970s and the first half of the 1980s provided Bonn with convincing evidence that the escalation of international tension diminishes the foreign policy capabilities of a country like the FRG, whose security interests, economic requirements, and long-range foreign policy goals necessitate the development of all-round relations with socialist states. Confrontation enhances the role of the United States, which, in R. Reagan's words, "has once again taken on the historic mission of leading the free world."<sup>6</sup> After H. Schmidt left the office of federal chancellor, he said with resentment that "the United States has never shown as little respect for the participation of the Europeans in the activity of the Western alliance as it did under Carter and Reagan."

The perestroika in the USSR, the new foreign policy thinking of the Soviet leadership, and its moves to improve the international situation and to stop the arms race made East-West dialogue a matter of central concern in Bonn's relations with Washington. The coordination and correlation of foreign policy lines and the exchange of information about relations with socialist countries, especially the USSR, have grown more important.

Meanwhile, differences in assessments of Soviet policy and the prospects for East-West relations have become more pronounced. People in the Federal Republic see perestroika in the USSR as a chance to change the nature of these relations and reduce the military threat and associate it with the possibility of more "penetrable" borders and broader economic and humanitarian contacts. All of these possibilities are viewed from the standpoint of their impact on relations between the two German states. The leaders of the FRG have repeatedly underscored their interest in the continued development of reforms in the USSR and other East European countries and have advised the West to assist in the process.

As for the United States, to some extent U.S. ruling circles are worried that the new political thinking could have what they perceive as a negative effect on the West. In particular, it could reduce the military efforts of the FRG and other West European countries, create an excessive flow of state-of-the-art technology to the East, or weaken the ties between Western Europe and the United States as a result of the construction of the common European home. These apprehensions are not shared in Bonn. On the contrary, people there assign great significance to the all-European aspects of the East-West dialogue. People in Washington, on the other hand, associate this with the fear of "Europe's emancipation from the non-European superpower"—the United States.<sup>7</sup>

Each phase of USSR-U.S. talks on the limitation of the arms race is accompanied by American-West German disagreements. Bonn attaches great significance to the dialogue of the great powers, regarding it as something vitally necessary for the process of detente, and is striving to foster its success. The FRG government proposed the development of a broad concept of disarmament in NATO. "We want to put an end to the situation in which we merely respond to General Secretary Gorbachev's proposals," Kohl told his American partners in February 1988. "We want him to respond to our proposals. We want to submit proposals and hear his responses."

The diverging interests are the cause of alarm in Bonn and Washington, which are perfecting the existing mechanism of compromise and are creating new structures to surmount these conflicts. There is a definite distribution of obligations between the two governments. It gives Washington a chance to maneuver more freely in negotiations by citing the views of its allies. Bonn wants the kind of distribution of functions in which the United States will be responsible for conducting a hard line in relations with the Soviet Union and the FRG's policy will be perceived by the public as a bid for peace and fair agreements with the socialist countries. This does not exclude the possibility, however, that the FRG might take a less constructive stance than the United States in some cases. When the concept of the "dual global zero option," envisaging the complete removal of two categories of nuclear weapons from the USSR and U.S. arsenals, was discussed at the Soviet-American talks in



Geneva, the position of the FRG, which objected to the destruction of the American nuclear warheads for 72 Pershing-1A Bundeswehr missiles, was a serious obstacle at one point in the dialogue. The Kohl government, however, could not afford to be viewed as a spoiler of the arms limitation and reduction process and had to change its position, which eventually facilitated the conclusion of the INF Treaty.

American-West German ties provide a good example of the collapse of the enemy image and many familiar stereotypes in recent years. These new developments, however, are far from definitive. At times it seems that Bonn is interested less in the complete renunciation of confrontational policy than in its modification, still connecting the development of East-West interaction with the need to discredit or weaken socialism.

Finally, the permanent existence of sources of conflict in American-West German relations is indicated by the anxiety and apprehension aroused in Bonn and Washington by each change of leadership in the United States or FRG respectively. In particular, the West German Government was quite edgy when it was waiting to hear the foreign policy statements of President G. Bush, especially since the change of administrations coincided with the heated debates on the modernization of short-range nuclear weapons, the effects of the creation of a unified West European market on the United States, etc. Bush's trip to Western Europe in May 1989 had a somewhat calming effect on Bonn. The President reaffirmed the United States' appreciation of the FRG as an ally by asking its leaders to "take part in leading" the Western alliance. "The Americans and the Federal Republic," he said in Bonn, "have always been close friends and allies. Now we are taking on another joint mission as partners in the exercise of leadership."<sup>4</sup>

This partnership, which has never been trouble-free, will probably undergo some hard times in the near future. Debates and decisions of great importance to the FRG and the United States are on the agenda. They include the modification of the strategy of the North Atlantic alliance to meet the needs of the current situation; attempts to curb the rivalry between the West European and North American centers of the Western world; the need for more active policy in relations with the Soviet Union and other socialist countries; and the settlement of the numerous crises in today's world.

The diverging interests of the United States and the FRG in all of these areas are certain to complicate the ally relationship on which ruling circles in the two countries rely. In addition, however, new efforts and a search for new forms, methods, and means of eliminating and surmounting differences of opinion and conflicts can also be expected.

#### Footnotes

1. BULLETIN DES PRESSE-UND INFORMATION-SAMTES DER BUNDESREGIERUNG, 19 March 1987, p 216.

2. R. Dahrendorf and T. Sorensen, "A Widening Atlantic? Domestic Change and Foreign Policy," New York, 1986, p 78.

3. EUROPE, October 1988, p 39.

4. ARCHIV DER GEGENWART, 30 January 1988, p 31872.

5. DEPARTMENT OF STATE BULLETIN, May 1986, p 78.

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7. EUROPA-ARCHIV, No 9, 1987, p 248.

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#### People's Deputies Interviewed on Warsaw Pact

904M0010H Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 3, Mar 90 (signed to press 16 Feb 90) pp 105-110

[Interview with USSR People's Deputies Marshall V.G. Kulikov, R.A. Medvedev, historian, N.P. Shmelev, economist, and V.M. Falin, head of the International Department of the CPSU Central Committee during the second Congress of USSR People's Deputies, by MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA correspondent G. Sturua: "The Warsaw Pact Organization: The Past, the Present, the Future"]

[Text] The second congress of people's deputies opened soon after the headlon development of democratic transformations on all fronts on the GDR, Czechoslovakia, and Bulgaria. During the last days of the congress the situation was tense in Romania, where patriotic forces had overturned the dictatorship of Ceausescu. The question of the state of affairs in the Warsaw Pact Organization and of its future fate has been placed on the agenda by life itself. This has been actively discussed within the Warsaw Pact Organization itself, and at sessions of its various bodies.

During the days on which the congress was working, our correspondent G. Sturua spoke to USSR People's Deputies Marshal V.G. Kulikov, R.A. Medvedev, historian, N.P. Shmelev, economist, and V.M. Falin, responsible-worker of the CPSU Central Committee apparatus, and asked them to share their views on the past, present, and future of the Warsaw Pact.

VG. Kulikov: From Military-Political to Political-Military Alliance

[Sturua] What stages could you single out in the development of the Warsaw Pact Organization?

[Kulikov] I would highlight three major stages although I view such a division is a conditional one.

In the first stage, up until 1975, the basic efforts of the Warsaw Pact countries were directed at strengthening the alliance's defense capability. While striving to achieve strategic parity between the Warsaw Pact and NATO, the alliance countries conducted an active struggle for peace, for a transition from the cold war toward a relaxation of international tension, and for a stable and secure Europe within its postwar boundaries.

However, the following decade (the second stage of the development of the Warsaw Pact) may be called a time of missed opportunities. While noting the destabilizing actions of the West in this period, at the same time we cannot fail to recognize that the responses of the Warsaw Pact member states to the challenges of the United States and NATO were also not always the correct ones. This in no way helped to improve the political climate on the planet.

In the 70s and at the beginning of the 80s, the military aspects of guaranteeing security were assigned priority to the detriment of political ones. We were drawn into the arms race, and this had a negative effect upon the external and internal situation of the countries of socialism.

It seems to me that the contemporary stage of the development of the Warsaw Pact began in 1985. The transition to a position of new thinking in international affairs, large scale restructuring processes in the allied socialist countries, the 1989 adoption of a document on the Warsaw Pact's military doctrine which was heavily defensive in emphasis, and unilateral steps by the countries of socialism to reduce their own armed forces and arms have all led to a substantial improvement in the international climate. One cannot fail to see that in connection with the appearance of positive trends as a consequence of the efforts of both the East and the West, a certain reduction of tension has been achieved on the world arena. However, the trend toward disarmament, a significant reduction in the level of confrontation, and the complete exclusion of the use of military force or the threat of force from the practice of international relations has still not become reversible.

[Sturua] How could you characterize the contribution made to the joint military efforts of the Warsaw Pact by its other members apart from the USSR? How important is this contribution from the point of view of guaranteeing the USSR's defense capability?

[Kulikov] I would not characterize the potential of the allied countries as being of particular significance for guaranteeing the defense capability of the USSR. We are strong as an alliance, as the unity of all of the states of the community. One of the characteristic features of the community of the countries of socialism was always their complete equality of rights within the Warsaw Pact. A practical expression of this principle is found in the

activity of all the organs of the socialist defensive-political alliance, including the military organs. A decision or recommendation comes into force only after agreement has been reached between the interested parties, which enjoy equal rights in the resolution of one question or another.

For example, let us take the Joint Armed Forces of the Warsaw Pact member states. Every party to the alliance has allocated well-trained contingents of its troops to their personnel. Their numerical strength, composition, and organization, and also their provisions with arms and hardware are determined by the government of each state; in doing so account is taken of recommendations made by the Political Consultative Committee, the Council of Defense Ministers, and the Joint Command of the Joint Armed Forces subject to the economic and military potential of the country in question and proceeding on the basis of the tasks of guaranteeing the defense capability both of any country taken separately and of the community as a whole.

[Sturua] Today, we recognize the fact that crisis processes have increased in both the domestic and foreign policy of the members of the socialist community. In your opinion, have they been reflected in the activity of the Warsaw Pact and, if so, in what way?

[Kulikov] Indeed, not to speak about this means not to speak the whole truth about the Warsaw Pact Organization. Within a certain period of time, crisis phenomena in the economy and social life of a number of the countries of our alliance and in the development of their communist and workers parties have led to a decline in the effectiveness of the efforts made by the Warsaw Pact member states toward achieving their stated goals.

So, as the 70s gave way to the 80s, the strength factor began to acquire ever greater significance in the Warsaw Pact's foreign policy activity. The achievements and experience of disarmament of the beginning of the 70s gradually gave way to stereotypes from the times of Stalin's cult of personality. The world, which had been becoming ever more independent and mutually permeable was divided as in olden times, into "ours" and "theirs." The numerous initiatives undertaken were not reinforced by any specific deeds comprehensible to the broader world public.

I will stress once again that for these and other reasons, by 1985 the authority of the Warsaw Pact on the world arena had declined. However, today as never before, the activity of our alliance is attracting the constant attention of the entire planet. The process of restructuring which embraced the majority of the socialist countries have also extended both to the foreign policy and military spheres of the Warsaw Pact, where deep breakthroughs have been noted in the most important and principled areas of the struggle for the peaceful future of mankind. I will be so bold as to assert that there will be no recurrences of the old.

[Sturua] Taking account of the changes which are occurring in the world and in the Warsaw Pact to exist in the future? If so, do you not consider that, at the same time, it is also in need of reform?

[Kulikov] Under present conditions, the role of the Warsaw Pact Organization in guaranteeing stability and security in Europe is constantly increasing. Cooperation between its constituent states in the creation of a common European home, in the disarmament sphere, and in strengthening trust offers a reliable guarantee that the consequences of the cold war will be overcome, disarmament processes consolidate and, ultimately, peace on the European continent preserved.

At the same time, I will note that the presence of the NATO bloc alongside the Warsaw Pact is also a political reality for us. I believe that the time will come when both of these alliances are disbanded. Their simultaneous disbandment, confidence building measures are strengthened, and cooperation develops in Europe.

It is understandable that the path leading toward this is not a simple one. It follows a course of deep changes in the relations between NATO and the Warsaw Pact and of a change in the very nature of these organizations. In other words, what is involved here is their transformation from military-political alliances into political-military alliances, something which is of course impossible without reforms. So, today we can already speak of priority and development in the civilian areas of their activity and of a decrease in their military elements.

The Bucharest meeting (1989) of the Political Consultative Committee may serve as an example of this. It marked the first occasion upon which the ministers of foreign trade and the leaders of the foreign economic departments of the allied states participated in this work.

In this way, increasing cohesion between the socialist countries and the changed character of the OVD's activity contain a reliable guarantee that the internal problems of the allied states will be overcome and that the Warsaw Pact will realize its goals and accomplish its tasks.

#### **R.A. Medvedev: Disbandment of the Warsaw Pact Will Not Lead to Instability**

[Sturua] The socialist countries of Eastern Europe have entered a new era. We have seen the onset of a time of deeper and more objective analysis of the past. On the whole, how would you characterize a phenomenon such as that of the socialist countries of Eastern Europe?

The processes occurring in these countries were, of course, inevitable. The point is that the socialism that emerged in the countries of Eastern Europe after World War II was socialism in its worst authoritarian model. In almost all of the countries of Eastern Europe, the help of the Soviet Army was not entirely absent in the process of implanting this model. That is to say that in many respects this was an export of revolution, something

which we offer a principled condemnation in theory but which, in practice, was carried out by Stalin in the second half of the 40s. This can be proven by looking at the situation in East European communist parties in the middle of the 40s. In Romania and Hungary, they were small and had little influence. In Poland, the communist party had been disbanded by the Comintern [Communist International, established in 1919 by Lenin to liaise with communist parties around the world in 1937]. The party groups which reemerged in Poland appeared underground in the war years and did not exert great influence upon Polish society. Quite a strong communist party was active in Czechoslovakia and therefore, in 1945, a relatively democratic regime which by 1948 had evolved into an authoritarian one.

Yugoslavia was an exception. Here, revolution was directed by internal forces. The movement in Yugoslavia developed as a popular revolution. Furthermore, it was basically the Yugoslav people themselves who liberated their country from the German occupying forces, although they were also helped by the Soviet Army. That is why today, in spite of a most severe economic situation, no doubt is being cast on socialism in Yugoslavia from a political point of view.

The East European states which called themselves socialist (significant elements of socialism really were present in them) were essentially authoritarian, embracing one limitation of democracy or another, and did not, as we are coming to understand today, enjoy the support of the population. To a significant extent their regimes were propped up by force, including the force of the Soviet Army, whose units were deployed on the territory of a number of the countries of East Europe.

Sooner or later these supports were bound to collapse.

Dissatisfaction with the ruling regimes grew. A democratic movement developed in the East European countries, although it is true that it did not always find direct and clear expression. The democratic *perestroika* which began five years ago in the USSR has exerted a profound influence on the social consciousness of the peoples of East Europe. It was inevitable that its deepening would lead to the crash of these authoritarian regimes. Of course, these processes are occurring differently in the various countries. What I am speaking about here is an overall trend.

[Sturua] To what extent have the deformations of socialism and the establishment of the administrative command system in the Warsaw Pact member states been reflected in the activity of the alliance and in the international situation?

[Medvedev] Even if we had not had an administrative command system, I still do not think that we have managed to avoid the cold war. I am not convinced that the Western countries would have been satisfied with "good" democratic socialism and that they would not have embarked upon the creation of military alliances aimed at our country. We would have still been obliged



to organize our own military-political alliance. However, it seems to me that the character of the overall situation would have been different and less confrontational. There was greater scope for using political means in the resolution of arguments and conflicts, and for cultural and economic cooperation.

[Sturua] Although the leadership of the five countries whose troops were brought into Czechoslovakia in 1968 has officially condemned this action as intervention in the internal affairs of a sovereign state, you have no doubt had occasion to encounter different evaluations of this event, for example: Regardless of how it is interpreted, in conditions of rigid confrontation between the East and West the "Prague Spring" objectively destabilized the international situation. A political resolution of the crisis which had arisen was hardly possible because, as a minimum, it would have presupposed an unthinkable degree of flexibility on the part of the Brezhnev regime. Even the West, in its turn, was evidently not prepared to offer a considered reaction to the situation evolving around the CSSR, unlike what we are seeing today. Meanwhile, efficient "regulation of the crisis" did not derail the process of the emergence of detente. What is more, it evidently gave Moscow confidence in building bridges with the West. How would you comment on such a point of view?

[Medvedev] As a historian, I do not agree with this. The year of 1968 was only the start of the conservative turnaround implemented by the Brezhnev regime after the period of Khrushchev's reforms. The reforms were not always successful, but this was nevertheless a time of relative progress for our country. Upon coming to power Brezhnev also followed a course of reform to a certain extent, right up until the beginning of 1968. The line of struggle against Stalinism was continued, partly for example, against its manifestations in science (medicine and biology). Condemnation of voluntarism and subjectivism also pushed Brezhnev toward political acts which might have public support. In short, between 1965 and 1967, the question of which path the Soviet Union would take had still not been resolved. The 60s was the time of struggle between progressive and reactionary forces in society. Some defended the values which had entered our life with the era of the 20th party congress, others urged in the direction of what we now call stagnation or even conservative reaction.

In these conditions, all of the leading Soviet intelligentsia regarded the events in Czechoslovakia as representing vast support for its efforts to prevent the country from turning back toward Stalinism. We greeted the Czechoslovak spring as a step in the right direction, as an example for the Soviet Union. If democracy had been victorious in Czechoslovakia it might have become a catalyst for democratic changes in the whole of East Europe, including the Soviet Union. This is what conservative forces feared, and therefore they embarked on a course of armed intervention.

[Sturua] Some people maintain that the transformations in East Europe are connected with the revelation of the genuine potential of socialism, others speak of the revival of capitalist principles in these countries. What do you think about this?

[Medvedev] If these processes had started at the end of the 60s and the beginning of the 70s along the lines of the Czechoslovak example, their socialist orientation would have been beyond doubt. Now, after a 20-year period of stagnation, nonsocialist forces have obtained a significant chance in the East European countries. The likelihood that these countries will take the path of socialism has declined. At the same time, the realization of these potential possibilities ultimately depends upon our tact, patience, and good will.

[Sturua] How do you see the future of the Warsaw Pact in the context of the struggle between socialist and nonsocialist principles in East Europe?

[Medvedev] I think that the Warsaw Pact Organization will be preserved, but only formally. We will maintain good relations with the East European countries, but neither a new Czechoslovakia nor a new GDR nor a new Poland will, as I see it, preserve ties of military alliance with us in their previous form. Even now, the Warsaw Pact and its joint command is largely a formality. The Polish and Hungarian armies, for example, may only be considered part of the Armed Forces of the Warsaw Pact with certain reservation.

In my opinion, unilateral disbandment of the Warsaw Pact would not lead to instability. On the contrary, it would have an extremely weakening effect on the political and military foundations of the NATO alliance. There would be increased opportunities for the peace-loving forces of the West to demand the disbandment of NATO. A calm and gradual elimination of the Warsaw Pact as a result of the spontaneous democratic processes will undermine any political foundations for the future existence of a western military alliance.

#### **N.P. Shmelev: I Would Not Rush Events**

[Sturua] An opinion exists to the effect that military-political alliances are economically burdensome for their leaders. Does this apply to the Warsaw Pact?

[Shmelev] In my opinion, the answer is contained in the question: All military alliances are burdensome. I see not only political and military plus points in the implementation of our dream—the withdrawal of Soviet troops from the territory of European countries—but also no small measure of economic advantage. I think that the military alliance is also an expensive undertaking for our partners in the Warsaw Pact.

[Sturua] Where do you see differences, and where similarity, between our economic perestroika and the processes taking place in the economy of the countries of East Europe?

[Shmelev] I think that, with the exception of a few small outposts of old directive system, barracks socialism, as I would call it, one and the same processes are occurring everywhere—in the political, spiritual, and economic spheres. We are all proceeding toward democratic, humane, market socialism. I do not believe in the efficiency of any other socialism. I do not believe in the efficiency of any other socialism. We are all returning to the side of normal common sense, and the dry and unrealistic theories which have proved unviable in practice are being consigned to the rubbish heap. The speed of this process is different everywhere. Unfortunately, although perestroika in the Soviet Union gave a powerful impetus to the transformations in East Europe, it seems to me that we are now beginning to lag behind our East European friends.

[Sturua] What role do you assign to the expansion and the deepening of economic ties between West Europe and East Europe?

[Shmelev] For me this is a very serious factor of the success of progress processes in the whole of East Europe and the Soviet Union. I think that even our country has lost time, time when it could have resolved its own problems at the expense of its internal resources alone. I fear that without external existence the process of our economic perestroika will drag on for a very long time. I am not even certain that we will be able to deal with the problem of the urgent improvement of our economic and financial situation without attracting external resources. East Europe is particularly in need of such assistance. I can only welcome the fact that plans are now being made to render it.

[Sturua] How many of the economic interrelations between the Soviet Union and the countries of East Europe evolve in the future? Some people think that the disbandment of the Warsaw Pact will lead to a virtually automatic reorientation of these countries toward the economy of the West.

[Shmelev] One point in the program put forward at the congress by Ryzhkov—a point which received my unconditional support—aims at effecting a transition in our economic cooperation with East Europe to world prices and to a unified market among the CEMA countries, and at achieving the convertibility of their currencies. I think that if we achieve this, our cooperation will no longer be built on that deformed base whereby sometimes we provide subsidies and sometimes we ourselves are subsidized—all in covert form—and our cooperation is organized mainly by pressure, directive, and decree. Only then will the free movement of commodities, manpower, capital, and scientific-technological knowledge across our borders finally become a possibility, that is to say we will place our cooperation on a normal economic footing. If we succeed in this, there is a multitude of attractive economic incentives by force of which the integration of the socialist countries will develop not under political pressure but rather by following natural demand. By way of example, the Soviet

Union's market is objectively a magnet for the most diverse countries. Granting our partners from East Europe free access to that market will provide a natural stimulus for integration.

What is more, industry in the majority of the East European countries is not competitive by world standards. Their re-orientation from the growing Soviet market toward the West in the near future is a physical impossibility. However, in the more distant future, when the all-European processes emerge at a new stage of development, it seems to me that a certain equilibrium will establish itself—in principle, the alternative of orientation either toward the West or the East will not exist. The only criterion will simply be the presence of demand. Additional forced measures to achieve mutual rapprochement will lose their actuality.

At the moment, it is difficult to say what role the Warsaw Pact will play in this disbandment. I would not rush events. For the time being, we are simply speaking about renouncing military organizations within the alliances and of assigning them a more clearly defined political character. It is difficult to point to the situation 10 years from now. The tasks about which we have spoken are too complicated to be solved within the space of the next decade.

#### V.M. Falin: We are Trying to Update the Warsaw Pact Organization

[Sturua] Where do you see similarities and where do you see differences between NATO and the Warsaw Pact?

[Falin] The similarity is basically historical. Both alliances were born out of the cold war. Military-political groupings were created according to the popular belief that the decisive factor is that of strength and that politics, diplomacy and so forth are no more than some kind of applied elements of it. In short, politics began to serve military strategy and not the other way around. There are still many stereotypes and deformations to be overcome before we all begin to think in terms of the times and their requirements!

I would like to single out one aspect, namely, in terms of peoples' attitude toward it, division into two alliances. This aspect lies mainly in the recognition (or nonrecognition) of the possibility of a comparatively rapid and simultaneous disbandment of these two organizations. The Warsaw Pact's proposal in favor of eliminating military blocs in Europe remains on the agenda, but it has yet to be met by a positive response by NATO.

[Sturua] Do you consider that the prerequisites for eliminating NATO and the Warsaw Pact are now already ripe? What do you think, should we be speaking precisely in terms of a simultaneous disbandment of the military alliances?

Of course, the concept of synchronicity is a relative one, but there is no doubt with regard to the need for a parallel liquidation of military alliances. Are conditions

now right for their disbandment or not? I can say that at the very least the necessary prerequisites exist for the transformation of NATO and the Warsaw Pact from predominantly military organizations into organizations which are mainly political, from organizations which divide Europe and even individual states into hostile camps into elements which can link parts of a vast region. For example, by means of working out common doctrines and creating joint security structures which reflect the interests of all sides. Some day, a simple truth must find both verbal recognition and material expression, on both the military and political levels: Europe has long since finished fighting its last wars. No wars of any kind are permissible here—neither nuclear, nor chemical, nor conventional. If Europe has a future it can only be a peaceful future. In this sense, an all-European home is not a beautiful dream but the only reasonable alternative. Its contours were in fact taking shape long before World War II but the realities were ignored, and this led to the greatest tragedy in the history of mankind.

[Sturua] How do you yourself envisage the process of eliminating military confrontation in Europe? Does the building of a common European home represent the "final stage" in this process?

[Falin] There is no final stage in processes of development, and the common European home is naturally no exception. We are dealing with parallel processes whose development will be interconnected. As we look to the future it seems that we should abandon the habit of seeking answers in the experience of the past. Experience may caution us against repeating errors, but it cannot tell us how to achieve a constructive resolution of problems of which the past had no knowledge. After all, a qualitatively new stage of civilization is opening up before us.

How will the division of Europe be overcome in reality, and how will the correlation be here between the military, political, economic, and cultural components? If we over-emphasize one element we will destroy the internal structural balance yet again. We must evidently proceed at an even pace in all areas. We must concern ourselves seriously with establishing economic cooperation and eliminating discrimination and barriers of any kind. Otherwise, if the political and military split in Europe is overcome, the continent may find itself divided into economic zones which will act as further stumbling blocks for us and, as a result, we will see the emergence of a trend reviving those very institutions which the states are now prepared to abandon.

However, the most important thing is to foster in our people the skills of the new political culture. We must teach them to relate to one another with patience and, as one wise Arab saying goes, to view the person coming to meet them halfway not as a potential enemy but as a probable teacher.

[Sturua] In analyzing the prospects for overcoming confrontation in Europe we cannot fail to mention the celebrated

"German problem." In the same way as before, the possibility of a "reunification of Germany" is giving rise to extremely complex feelings in Europe and the United States. What lies behind them and are they justified?

[Falin] First and foremost, we must be clear as to what the "German problem" is, and to the meaning which was assigned to this concept before, during, and after the war. Let us recall the slogan under which Hitler started the war? "Unification of all Germans in a single German Reich." It is probably quite natural that the essence of the Tehran, Yalta, and Potsdam decisions lay in the creation of a situation in which the threat of war could never again proceed from German soil. At that time, the English and Americans believed that the Europeans would cease to be hostages to German militarism and imperialism if Germany were divided.

Let us also recall that in the consciousness of some Americans, giving thought between 1943 and 1945 to the postwar structure of the world, the preservation of revival in Europe of a power which was able, without the United States, to determine the character of development on the continent was identified with Washington losing the World War. If it could not be placed under single American control it was better to divide it. A great deal was conditioned by such logic, both within Europe and outside it.

The "German problem" in its current interpretation appeared in the West at the height of the cold war, when talks on future unity supposed to justify the separation of the Western zones of occupation into an individual state formation and its subsequent militarization. American government papers reveal that plans to use the anticommunist, military, and human potential of West Germany constituted a major and decisive consideration in the hegemonistic policy of the United States at that time.

Of course, much has changed since then. Parents give life to their children, but they are not free to lead them by the hand along the labyrinths of fate. In some respects this is also true in politics.

On more than one occasion I have expressed the opinion that it is now time that we took pains to ensure, without destroying the existing European structures and territorial realities, that the relics of the war do not burden relations between Germans in the East. The can be done if, in putting forward one plan or another and attempting to arrive at one decision or another, we do not seek to corroborate any of the dogmas of the cold war. Otherwise, the door to the future will be closed once again.

[Sturua] We have become accustomed to evaluating the correlation of centrifugal and centripetal trends as applied to NATO, but what is the correlation like within the Warsaw Pact? Events in East Europe may give us reason to think that, at least in the immediate future, the centrifugal trend will prevail.

[Falin] Centrifugal phenomena are now clearly expressed in our alliance. However, in stating this I would make one qualification. They are based not so much on a desire to



eliminate the Warsaw Pact as to bring it up to date, something which we ourselves have been trying to do. The Soviet Union was one of the first countries to put forward a proposal for the politicization of the Warsaw Pact.

The idea of the role of NATO and the Warsaw Pact as a factor of stability in Europe, an idea which is being formulated with greater emphasis in the West than in our country, seems to me to be a vital one. A better Europe will arise not through a mechanical destruction of the old but through a modification of what already exists, a modification which is such as to give a maximum expression to the balance of national interests.

As far as confirming the new political thinking is concerned, we are only at the start of the path. We are creating a great deal, as yet without due mutual understanding on the part of NATO, in point of fact we are carrying out a policy of good example. In my view, the resources for such actions and correlations are not yet exhausted. However difficult and dangerous such a policy might sometimes be, I am convinced that it will bear its own fruits and that it will also accelerate the development of the new political thinking in the West, although something else is also clear. The initiatives of a state or group of states are subject to certain limits, because interdependence is an objective fact.

#### Soviet Union-Japan: How We See Each Other

90AM00101 Moscow MIROVAYA EKONOMIKA I MEZH DUNARODNYE OTNOSHENIYA in Russian No 3, Mar 90 (typed to press 16 Feb 90) pp 134-141

[Report on survey results and comments by G. Kunadze, candidate of historical sciences and sector head at Institute of World Economy and International Relations, USSR Academy of Sciences]

[Text] Public opinion polls were organized by HOKKAIDO SHIMBUN, SOVETSKAYA ROSSIYA, and the APN in Japan and the RSFSR to learn how people felt about Soviet-Japanese relations and the problems connected with building a nuclear-free world.

A sample survey was conducted by the Center for Public Opinion Studies of the Sociology Institute of the USSR Academy of Sciences in Moscow and 37 other populated points in the RSFSR: in Moscow, Volgograd, Omsk, Tyumen, Yaroslavl, and Sakhalin (including the southern Kuriles) oblasts and in Maritime Kray. In all, 1,194 people were surveyed.

The method used to select the populated points and their inhabitants presented a sufficiently reliable reflection of adult public opinion in the RSFSR. The composition of the sample group corresponded completely or mainly to the structure of the adult population of the RSFSR in terms of several important indicators. Rural inhabitants represented 26.5 percent of the total and urbanites represented 73.5 percent (the respective figures in the population of the RSFSR are 26 and 74 percent), 49 percent of the respondents were men and 51 percent were women (47 and 53 percent in the RSFSR population).

On the Japanese side a similar survey was conducted by HOKKAIDO SHIMBUN, when 1,000 people were surveyed in 100 populated points on the island of Hokkaido, bordering on the Soviet Far East. The composition of the sample group was the following: 28.3 percent rural inhabitants, 19.3 percent inhabitants of urban-type settlements, and 52.2 percent citydwellers (including 27.2 percent living in Sapporo, the administrative center of Hokkaido). Men constituted 45.9 percent of the group and women constituted 54.1 percent.

We are publishing the results of the joint Soviet-Japanese public opinion poll, kindly furnished by SOVETSKAYA ROSSIYA, and comments on the results by Candidate of Historical Sciences G. Kunadze, sector head at the Institute of World Economy and International Relations, USSR Academy of Sciences.

#### How much do you think you know about Japan (the USSR)?

	Russians	Japanese
1 I know a great deal about the politics, economics, history, geography, culture, art, and other spheres of life in Japan (the USSR)	5.4	3.6
2 I know something about some aspects of life in Japan (the USSR)	44.2	21.7
3 I have a vague idea of some aspects of life in the country	31.6	39.6
4 I know almost nothing about Japan (the USSR)	14.1	33.2
5 I do not know	4.7	1.7

#### What is your personal opinion of the Japanese (Soviet) people?

	Russians	Japanese
1 I like them	36.5	9.8
2 I do not like or dislike them	35.1	79.3
3 I do not like them	1.1	8.8
4 I do not know	7.3	2.1

#### You probably have certain ideas about Japan (the USSR). What has influenced your opinion the most?

	Russians	Japanese
1 Newspapers and magazines	43.1	33.4
2 Television and radio	67.1	57.0
3 Books	14.1	1.8
4 Personal contacts with Japanese (Russians) who have come to the USSR (Japan)	3.0	1.3
5 Personal acquaintance with the country	2.5	1.4
6 Reports of people who have been to Japan (the USSR)	20.8	2.2
7 I do not know	5.4	2.8

**How much attention do you pay to news about Japan (the USSR) in the press or on television and radio?**

	Russians	Japanese
1. I am interested in almost all the news	31.8	13.8
2. I pay attention to news in areas of interest to me	32.0	24.4
3. I am interested in news on important events	20.4	31.4
4. I pay almost no attention to the news	10.6	9.3
5. I do not know	5.2	1.0

**Which spheres of vital activity in Japan (the USSR) do you feel are the most highly developed today? (choose three)**

	Russians	Japanese
1. Foreign policy	8.8	33.0
2. Domestic policy	7.1	21.0
3. Economics	72.9	19.2
4. Military sphere	5.8	62.7
5. Education	28.1	6.3
6. Environmental protection	18.2	5.7
7. Public health care	19.3	4.3
8. Culture and the arts	18.3	27.3
9. Space exploration	0.9	51.3
10. Science and Technology	78.2	22.0
11. Others	0.7	7.2
12. I do not know	3.0	9.4

**Which characteristics on this list do you feel are the most typical of the Soviet people and the Japanese? (choose three)**

Japanese about Russians	Russians about themselves		Russians about Japanese	Japanese about themselves
20.1	12.7	Energetic	51.1	15.5
10.0	29.1	Short-tempered	0.6	9.0
12.6	4.9	Diligent, industrious	72.9	61.2
9.5	18.3	Reliable	12.1	10.2
31.0	8.8	Egotistical	2.7	12.9
6.6	11.1	Democratic	5.9	19.5
36.7	12.2	Conservative	9.5	25.6
12.1	3.4	Arrogant	7.3	5.1
8.4	20.6	Optimistic	7.5	9.6
15.0	15.1	Emotional	6.5	12.4
9.8	3.3	Intellectual	33.8	6.6
7.1	25.3	Passive	0.6	20.2

**Which characteristics on this list do you feel are the most typical of the Soviet people and the Japanese? (choose three) (Continued)**

Japanese about Russians	Russians about themselves		Russians about Japanese	Japanese about themselves
9.5	4.6	Active	24.0	7.9
7.0	53.2	Peaceful	11.3	29.8
10.4	36.2	Friendly	13.8	13.6
33.8	2.8	Aggressive	7.1	2.9
5.6	20.4	Sincere, frank	2.3	13.8

**Which facet of Japanese (Soviet) life would you like to learn more about?**

	Russians	Japanese
1. History and geography	11.0	6.0
2. Domestic policy	6.4	14.0
3. Foreign policy	4.4	12.4
4. Industry and economics	23.5	7.1
5. Science and technology	28.1	6.1
6. Culture and the arts	20.4	5.5
7. Nature and ecology	14.0	8.6
8. Everyday life of the people	47.2	17.5
9. Sports	6.1	4.6
10. Life of youth	18.9	3.7
11. Solutions to social problems	33.0	10.4
12. I do not know	1.5	4.1

**How do you feel Soviet-Japanese relations have changed in the last 5 years?**

	Russians	Japanese
1. They have improved	40.0	35.8
2. I cannot state an unequivocal opinion	37.4	35.3
3. They have not changed	10.9	22.8
4. They have grown worse	1.1	3.2
5. I do not know	10.6	2.9

**Do you think Soviet-Japanese relations should be closer?**

	Russians	Japanese
1. They should be closer	83.7	52.8
2. They can be kept at their present level	6.7	16.4
3. There is no need for closer relations	1.6	7.1
4. I have no definite opinion	5.2	22.2
5. I do not know	2.8	1.5

**To what extent do you feel the state of Soviet-Japanese relations influences the world situation?**

	Russians	Japanese
1. It has extremely noticeable influence	12.1	19.7
2. It has perceptible influence	29.7	33.2
3. It has some influence	38.6	34.1
4. It has no particular influence	6.0	7.6
5. It has no influence	1.5	0.6
6. I do not know	12.1	4.8

**Do you think the problem of the northern territories (Japan's demand that the USSR return the islands of Kunashir, Iturup, and the Lesser Kuriles) is of an anti-Soviet nature?**

	Russians	Japanese
1. Yes	25.2	17.6
2. Yes, to some extent	31.4	38.5
3. No	18.9	40.4
4. I do not know	24.5	3.5

**Do you think the satisfaction of Japan's territorial claims on the Soviet Union is an essential condition for the development of friendly relations between the two countries and mutually beneficial cooperation?**

	Russians	Japanese
1. I think it is essential	5.7	44.7
2. I think this might be true to a certain extent	16.8	34.8
3. I have no definite opinion	17.9	14.5
4. I think it is not essential	48.3	4.3
5. I do not know	11.3	1.7

**In which areas could the USSR and Japan cooperate most effectively?**

	Russians	Japanese
1. Economic and social development of Siberia	23.1	17.0
2. Export of raw materials from the USSR to Japan and third countries	5.3	11.4
3. Joint development of technology, machines, and equipment	55.7	21.8
4. Exchange of state-of-the-art technology	35.8	11.8
5. Fishing	11.0	32.2
6. I do not know	6.4	4.5
7. Others	0.9	1.3

**What would you do if you were offered a job at a Soviet-Japanese joint enterprise?**

	Russians	Japanese
1. I would accept unconditionally	37.9	4.9
2. I would agree, but only on certain conditions	21.4	24.9
3. I would refuse the offer	7.4	29.6
4. I cannot give a categorical answer	23.6	37.6
5. I do not know	9.7	3.0

**What do you think of the idea of special economic zones where optimal conditions would be established for cooperation and direct trade between the USSR and Japan?**

	Russians	Japanese
1. I agree	71.1	38.1
2. I object	5.3	5.2
3. I have no definite opinion	17.6	50.8
4. I do not know	6.0	5.9

**Would you go to Japan (the USSR) if you had a chance?**

	Russians	Japanese
1. I would certainly go	46.9	24.4
2. I would go	33.4	40.9
3. I do not want to go	4.7	18.0
4. I cannot give a definite answer	9.6	16.0
5. I do not know	5.4	0.7

**Are you familiar with any spheres of Japanese (Soviet) Culture, Art, and Sports? (choose any number)**

	Russians	Japanese
1. Music	14.3	35.7
2. Fine arts	17.5	14.8
3. Dance	8.0	24.7
4. Literature	15.4	21.0
5. Cinema	40.0	32.1
6. Circus	9.6	36.2
7. Athletic competitions	32.2	79.1
8. I do not know	22.5	2.9
9. Others	1.6	3.7

**Do you think Japanese (Soviet) military potential poses a threat to the Soviet Union (Japan)?**

	Russians	Japanese
1. Yes	18.1	62.1
2. I have no definite opinion	40.8	27.3
3. No	25.6	9.0
4. I do not know	15.5	1.6



**Do you think an agreement on the complete elimination of nuclear weapons is a real possibility?**

	Russians	Japanese
1. Yes	49.8	16.5
2. I do not have a definite opinion	25.0	49.4
3. No	18.3	31.3
4. I do not know	6.9	2.8

**Do you feel the principle of sufficient defense can be implemented without nuclear weapons?**

	Russians	Japanese
1. Yes, without any doubt	53.1	20.4
2. Yes, but I am not completely certain	22.3	31.7
3. I cannot give a categorical answer	10.6	27.5
4. No, it would be impossible	5.6	17.5
5. I do not know	8.4	2.9

**Which country, the USSR or the United States, has been more active in nuclear disarmament?**

	Russians	Japanese
1. USSR	62.5	24.4
2. United States	2.3	17.3
3. Both have been equally active	16.2	42.8
4. Neither has been active	8.2	10.5
5. I do not know	10.8	5.0

**How much influence do you feel the meetings of the leaders of the USSR and United States have had on the development of Soviet-Japanese relations?**

	Russians	Japanese
1. A great deal of influence	11.6	20.3
2. Some influence	39.3	25.0
3. Not much influence	21.1	34.0
4. No influence at all	4.6	5.4
5. I do not know	23.4	4.6

**When M.S. Gorbachev addressed the United Nations on 7 December 1988, he announced unilateral reductions of Soviet armed forces and arms, including reductions in the Asian part of the USSR. How do you feel these reductions will affect Soviet-Japanese relations?**

	Russians	Japanese
1. They will improve these relations considerably	10.5	3.6
2. They will improve these relations somewhat	27.1	20.6
3. They will improve them, but not much	25.6	42.8
4. They will have virtually no effect	8.8	14.8
5. I cannot give a categorical answer	15.5	12.6
6. I do not know	13.5	5.6

**M.S. Gorbachev is conducting the policy of perestroika. How interested are you in this?**

	Russians	Japanese
1. Extremely interested	22.9	15.9
2. Fairly interested	22.2	16.4
3. Somewhat interested	48.1	42.1
4. Barely interested	7.4	17.1
5. Not interested at all	2.1	7.4
6. I do not know	3.3	1.1

**Do you think perestroika will succeed or fail?**

	Russians	Japanese
1. It is certain to succeed	10.6	15.9
2. It will probably succeed	22.9	—
3. I have no definite opinion	44.1	74.5
4. It will probably fail	13.4	2.9
5. It is certain to fail	2.8	—
6. I do not know	8.2	6.7

**No Surprises?**

The public opinion poll conducted jointly in the RSFSR and on the island of Hokkaido by the Soviet and Japanese news media is clearly an extraordinary event and warrants serious consideration just on the strength of this. This time the Soviet respondents were chosen from among the inhabitants of krais and oblasts in the RSFSR. Relations with Japan are certainly a matter of nationwide significance, but the inhabitants of the Russian regions have always been much more involved in these relations than the population of other national republics. Obviously, it is also a significant fact that the elevation of the national consciousness throughout the USSR is inclined to evolve into nationalism in some cases, including nationalist feelings with a clearly anti-Russian thrust. Under these conditions, it is possible that the participation of inhabitants of other Soviet republics in the survey could have influenced the results. Besides this, it is not very clear how much the respondents knew about anonymous surveys in general, and from the description of the study it is not clear how the poll was conducted—i.e., how anonymity was guaranteed. In any case, we can probably assume that at least some of the Soviet participants "insured themselves" by giving what they perceived to be "loyal" answers.

As for the Japanese respondents, there does not seem to have been sufficient reason to limit the poll to Hokkaido. The age and social structure of the population of the island does not coincide in many respects with nationwide parameters, and Hokkaido is not comparable to the RSFSR in population size. In short, there is room for doubt about the degree to which the results of the Hokkaido poll correspond to the opinions of the Japanese as a whole.

None of this, however, diminishes the value of the results substantially.

The first thing that arouses our interest is that most of the respondents admitted their insufficient knowledge of the neighboring country. Respondents in both countries named television, radio, newspapers, and magazines as their main sources of information. Does this not sound as if journalists have not been very successful in their work to date? Furthermore, whereas there is no question that the situation in the USSR has been affected by many years of censorship and the absence of glasnost, it would be difficult to find an explanation for this in Japan, where the citizen's right to information would seem to be effectively guaranteed by law.

The responses to the question about mutual affection and enmity were interesting. The majority of Soviet respondents (56.5 percent) feel affection for the Japanese, while only 1.1 percent dislike them. I would say that goodwill toward other nationalities is characteristic of the Soviet people in general. The system of upbringing and education in the USSR has been justifiably criticized in recent years, but the efforts to instill internationalism in people's minds, even if it is only the poster brand of abstract internationalism, are certainly one of its few merits. Of course, the respect for Japan itself was another contributing factor. In other words, the result was not unexpected. The Japanese responses, on the other hand, seemed surprising at first. The vast majority of the Japanese (79.3 percent) feel no affection for the Soviet people but do not dislike them either. How does this agree with the USSR's regular appearance on the list of the Japanese people's least favorite countries in numerous standard public opinion polls? Or with the common assumption in Japan that the Japanese cannot stand the USSR but do like the Soviet people? In my opinion, the results of the standard polls and the common assumption in particular are of a politicized nature. In general, the Japanese are usually indifferent toward foreigners, regarding them as outsiders who live in an alien and distant world and who warrant neither affection nor enmity. I certainly do not want to accuse the Japanese of being hard-hearted. I am simply stating a historical fact.

In the opinion of Soviet respondents, Japan has been most successful in the development of science and technology (this was the opinion of 78.2 percent), economics (72.9 percent), and education (28.1 percent). The Japanese, on the other hand, see Soviet achievements in the military sphere (62.7 percent), space exploration (51.3 percent), and foreign policy (33 percent). All of these results, in my opinion, reflect the actual state of affairs and only underscore the asymmetry of the two countries' successes.

The responses to the question about the character traits of the Soviet people and the Japanese are extremely interesting. The Soviet respondents believe that the Japanese are industrious, energetic, and intellectual. The Japanese, on the other hand, think that the Soviet people

are conservative, aggressive, and egotistical. This is a striking contrast, and the reasons are probably known to anyone who has been in a Japanese bookstore and has seen the many books with titles like "Why the Japanese Do Not Like the Russians." How could there be any mutual understanding under these conditions? The Soviet and Japanese respondents were probably more objective in assessing their own traits. In any case, I personally, as a Soviet individual who has studied Japan and has admired it for many years—in other words, as a person with some knowledge of both countries—would probably single out the same qualities of my own people and the Japanese people with which they were endowed by the Soviet and Japanese respondents.

The next important group of questions pertains to Soviet-Japanese relations. The responses coincide to some extent. The largest group of Soviet and Japanese respondents (40 percent and 35.8 percent respectively) felt that relations between the two countries had improved in the last 5 years. Almost the same number (37.4 percent and 35.3 percent) could not give a definite answer. Both groups were probably right. Although there has been a tendency toward improvement in Soviet-Japanese relations, it is not irreversible yet.

It is certainly encouraging that the absolute majority of respondents want Soviet-Japanese relations to improve. Understandable differences of opinion, however, began to be revealed at this point. The problem of the "northern territories" is naturally a stumbling-block. I must say, incidentally, that both of the questions pertaining to this problem are worded so badly that they seem to have been designed specifically to elicit diametrically opposed answers from the two groups. Judge for yourselves. Consider the question of whether Japan's territorial demands are of an anti-Soviet nature. The word "anti-Soviet," which became so trite during the stagnant years of struggle against internal and external "enemies," was obviously used here in the expectation that the Soviet respondents would be prompted to answer yes and the Japanese would deny the statement as soon as they had heard the word. The next question asks whether the satisfaction of the territorial claims is an essential condition for the development of Soviet-Japanese relations. Here the wording logically suggests a negative answer on the Soviet side and a positive one on the Japanese side. I think other questions should be substituted for these. For example, respondents might be asked if they are familiar with the details of the problem of the "northern territories," including the position taken by both sides. Is the resolution of the problem necessary? If so, then which would be the best solution—the complete satisfaction of Japan's demands, Japan's renunciation of the claims, or a mutually acceptable compromise? Not one of these questions was asked. As a result, we have learned only that the majority of Soviet respondents do not feel that the satisfaction of the Japanese demands is necessary, while the majority of the Japanese, on the other hand, feel that it is. In both cases, the majority is not absolute, but the organizers of the poll nevertheless,

consciously or unconsciously, reproduced the deadlock that has existed only on the official level to date. This result did not provide us with any new information.

It is true that there is one encouraging sign. It would be difficult to say whether the respondents interpreted the meaning of the word "anti-Soviet" in the same way, but their opinions diverged. Specifically, not all of the Soviet respondents defined the Japanese demands as anti-Soviet, and not all of the Japanese denied the accusation of anti-Sovietism. Apparently, common sense prevailed over emotion in many respondents. The Japanese who answered in this way apparently realized that because Japan's demands conflict with the USSR's views, they can be called anti-Soviet in the purely etymological sense. By the same token, some Soviet respondents did not regard these demands as the quintessence of hatred for the USSR and therefore did not think they were anti-Soviet. I think this view of the problem is closest to reality.

The responses to the rest of the questions contain few surprises, with the possible exception of the Japanese respondents' categorization of fishing as the main area of Soviet-Japanese cooperation. This seems to be one of the precise cases in which the limitation of the group of Japanese respondents to the inhabitants of Hokkaido had an impact on the results.

A majority of Soviet respondents (37.9 percent) would be willing to work at a Soviet-Japanese joint enterprise. The majority of Japanese (37.6 percent) could not answer the question categorically. This is completely understandable: For many people in the USSR joint enterprises are associated with more interesting work and higher pay than in the state sector; for the Japanese, with their high standard of living and their excellent job opportunities, a joint enterprise is a pig in a poke: Why not leave well enough alone?

Among the answers to questions about economic cooperation, I would direct special attention to the fact that the overwhelming majority of Soviet respondents (71.1 percent) support the creation of joint enterprise zones (the organizers of the survey mistakenly called them "special economic zones," probably by analogy with China). The opponents of these zones in the USSR have recently been voicing loud objections, asserting that the Soviet people do not want them. The results of the poll definitely refute this assertion.

The answers to the question about the military threat posed by the other side are interesting and informative. Most of the Soviet respondents (40.8 percent) were at a loss for an answer. On the one hand, what we refer to as the substitution of intuition for information suggests that there is no threat, if only because a state like Japan, which has been successful in almost all spheres of civilian activity, has no reason to resort to weapons. On the other hand, Japan's colossal economic, scientific, and technical potential could be transformed into military potential in principle. Furthermore, for many years

our propaganda encouraged criticism of the so-called "revival of Japanese militarism." It is indicative, incidentally, that 18.1 percent (this is how many Soviet respondents feel that Japan poses a military threat) indicates that this frenzied propaganda had an extremely low level of effectiveness.

As for Japanese perceptions of Soviet military strength as a threat, the absolute majority (62.1 percent) answered in the affirmative. Of course, the easiest way of explaining this is to say that the Japanese are more efficient than we are in propaganda, just as in many other spheres. I think, however, that this would be an oversimplification. Soviet military potential in the Far East is truly colossal. It is not easy to find a reasonable explanation for the high percentage of Soviet armed forces in the Soviet Far East—high even by the standards of other parts of the USSR—and for this reason it is a source of anxiety for neighboring countries. We have already taken the first steps in arms reduction, but we must go further, bearing in mind that the trust of our neighbors could be a more effective guarantee of security than, for instance, a fleet of modern warships or endless rows of tanks, planes, and other equipment. Japan should also reconsider its position. After all, trust is not always inversely proportional to the number of weapons.

The answers to the group of questions about the prospect of a nuclear-free world were interesting. Most of the Soviet respondents (49.8 percent) had no doubt that an agreement could be reached on the complete elimination of nuclear weapons. Almost the same number of Japanese (49.4 percent) did have doubts, however, and another 31.3 percent were certain that this kind of agreement would be impossible. I am personally inclined to agree with the last group. A real possibility of accomplishing something presupposes predictable time limits. In this case, no one would undertake this kind of prediction, especially in view of the fact that today, now that more and more countries are mastering the technology for the production of nuclear weapons, their complete elimination is not something involving only the "two superpowers" or even all of today's nuclear powers. This is a job for all of the countries of the world, for all mankind. Does this not mean that the complete elimination of nuclear weapons will only become a real possibility when the political, economic, and psychological factors motivating some countries to acquire these weapons have been eliminated?

The questionnaire then moves somewhat unexpectedly back to the original topic—the prospects for Soviet-Japanese relations. Once again, I was struck by the realism and common sense of the Soviet and Japanese respondents. Neither side was inclined to overestimate the impact of individual events, however important and massive, on Soviet-Japanese relations, such as the Soviet-American summit meetings or the USSR's decision on unilateral reductions of armed forces and arms. They are right, because Soviet-Japanese relations depend on a complex and multifaceted group of factors which can only develop in a group. Just as one swallow does not



make a summer, progress in one area does not guarantee steady advancement in others.

The last questions pertain to the perestroika in the USSR. Some people might be surprised that the majority of respondents in both countries are only "somewhat" interested in perestroika. It sounds completely understandable to me, however, because perestroika has been going on for almost 5 years now and it has naturally lost its initial newsworthiness. Besides this, all people (and especially the Soviet people) have their own daily concerns and therefore cannot give all of their attention to high-level politics. Incidentally, this calm and unquestioning acceptance of perestroika by the respondents might be its greatest victory to date. Everyone has already grown accustomed to the highly dynamic revolutionary changes in the USSR, and perestroika is perceived as something natural.

Its prospects are a different matter. Here most of the Soviet respondents (44.1 percent) and the overwhelming majority of Japanese (74.5 percent) did not want to state any definite opinion. In fact, only 10.6 percent of the Soviet respondents and 15.9 percent of the Japanese were certain of the success of perestroika. As for my own feelings, in my heart I, and probably many of my fellow-countrymen, am on the side of those who are certain that perestroika will succeed, but in my mind I agree with those who could not state a definite opinion. I can only say one thing in all sincerity. The future of our country and, consequently, the future of its relations with the outside world will depend directly on the success of the truly historic reforms launched by the administration of Mikhail Gorbachev. We wish him success not only as impartial observers, but also as active and interested participants in these colossal transformations.

#### German Question Yesterday and Today

904M0010J Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian  
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[Review by Tamara Isaakovna Dudinkova, science editor of MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, of book "The Two German States and European Security," edited by F. Stephen Larrabee, Macmillan in association with Institute for East-West Security Studies, 1989, XVIII+330 pages]

[Text] One of the first things I (and probably most of the other members of my generation—the same age as the two German states) learned about foreign policy was that there were good and bad Germans: The first lived in the GDR and the second, naturally, lived in the FRG. The same kind of distinction, but vice versa, was probably made "on the other side": variations on the there were also possible: the fortunate and unfortunate Germans, the free and captive Germans, etc. We have to admit,

especially today, that this approach, which was engendered by the "cold war" and reflected its mentality in its entirety, was faulty and primitive; this makes it all the sadder that it served as the basis for government foreign policy.

The fact is that the FRG's membership in NATO and the conclusion of the Warsaw Pact with the participation of the GDR put an end to the plans for the "peaceful and democratic" reunification of Germany, which were unrealistic from the very beginning because the victorious powers, which had assumed the responsibility for the future of the defeated country, had extremely different ideas about democracy. By inertia or in the sincere hope that all was not lost, people in our country continued to talk and write about the reunification of Germany until the end of the 1950s; then the German question was declared closed, and even non-existent. Even after the FRG had concluded treaties with the socialist countries and during the period of the Social-Liberal coalition's "new Eastern policy" and the indisputable improvement of relations, this question was always qualified as "so-called" and enclosed in quotation marks in our official documents, and the references to it in speeches by West German political leaders at meetings with the Soviet leadership were omitted and were replaced with the stock phrase "expressed the well-known ideas of certain groups in the FRG with regard to the question of relations between the FRG and GDR." There is no need to explain that this was another case of the use of the popular linguistic paradox in which the words "well-known" and "certain" actually signified something unknown and uncertain.

It was ironic that the efforts to declare the problem non-existent attested, as usual, to its existence, if not its heightened relevance. The question was only closed in one sense—in the sense that we refer today to previously "closed" or forbidden topics which are gradually becoming the object of widespread discussion. Nothing was published, but special investigations were made, and this was more evidence that the question was still open. Obviously, the investigations could not be productive under these conditions. The result of the mystical horror of the very concept of the "German question" was a distorted view of its essence: The vast and multifaceted problem with deep historical roots began to be reduced to a situation in which "certain groups" in the FRG were "lying in wait" to swallow up the first state of workers and peasants on German land; this was also the reason for the vigorous efforts to set the FRG and GDR against one another in a conscious or unconscious repetition of the imperious "divide and conquer" strategy.

During that time the issue would periodically die down and then flare up again with new strength in the West (and especially in the FRG), where the matter was debated, opposite points of view came into conflict, and public opinion polls were conducted. The 40 years of the existence of the two German states produced a vast amount of literature on different aspects of their relations in different spheres and on their role in Europe and

the world. The subject of this review, a book published by the Macmillan publishing house in association with the Institute for East-West Security Studies, sums up the results of the development of the German problem during this period and of its analysis by contemporary political scientists.

The work includes articles by experts from the FRG, the GDR, West Berlin, the United States, France, and Poland. Some treat the issue as a purely academic matter, while others see it as a crucial political problem. The fact that the authors view it from different vantage points helps to create a complete and detailed picture. Some judgments are diametrically opposed, and this attests only to the complexity of the problem and does not mean that some are unconditionally right and others are wrong.

The essence of the work is reflected quite precisely in the title: "The Two German States and European Security." Examining the German question in the broader historical context, French research A.M. Le Gloanneque says that "this term pertains to Germany's central location. Located in the heart of Europe, Germany was either too weak or too strong, either prey or a threat to its neighbors; or if we look back at the old concept...of Germany's special course, we see that although it was neither eastern nor western in the geographic sense, it was 'eastern' enough to be forced off the road to freedom and onto the path leading from authoritarianism to totalitarianism" (p 243). A different view of the problem is presented by another French woman, R. Fritsch-Bournazelle: "The German question was always a question of the part of Europe to which the Germans belonged: a question of whether they were looking to the east or were hesitating between the east and the west, of whether they accepted their central geographic location or were trying to get out of it" (p 49).

The French are certainly more concerned about the problem of German reunification and are quite frank in explaining why this would be undesirable. The authors of the book also cite the extremely popular view in the West (and in the FRG itself) that the unified state actually represented only a brief and fairly artificial phase in German history and aroused the objections of other European countries, posing the threat that materialized in two world wars. In all fairness, however, we must say that the fragmentation of pre-Bismarck Germany and what is now commonly called its cultural and historical identity is incomparable to the rigid division of the FRG and GDR for the last four decades, symbolized by the Berlin Wall. Even today, Germany has a long way to go before it reaches the penetrable borders and natural contacts it had in the middle of the last century.

France's position on the German question—and this is clearly apparent in both of the articles by French researchers—is distinguished by unquestionable intensity, but it is far removed from the centuries-old mutual hatred of the "genetic" enemies which France and the FRG managed to overcome for the first time in history

in the postwar period! The efforts to preserve the status quo are dictated not only by the fear of the resurrection of the old rival, the German Reich, but also, and to a much greater extent, by the reluctance to give up the hard-won equality and partnership.

Polish expert R. Wojna expresses the common opinion of the Polish political and scientific community that the German question might be qualified as "so-called" but is connected directly with the interests of all Europe. Furthermore, the main reason for the anxiety of the Germans' closest neighbors—the Poles in the east and the French in the west—is still the prospect of reunification, regardless of how realistic it seems. According to this article, the German question for Poland is primarily a question of interrelations with the FRG and the recognition of the inviolability of the border between Poland and the GDR by the West Germans. This is an indication of the metaphysical impasse to which the now familiar approach to the problem leads. Wojna is most afraid of the consequences of what he himself considers impossible. If the two German states are to continue to exist forever, why should there be any worries about the future of the border between Poland and the GDR, with which both sides are satisfied? By acknowledging the FRG's vital interest in this matter, the author also acknowledges the existence of the German-Polish border. With reference to his people's centuries of tragic experiences, he writes that "people in Poland associate the Bundeswehr with the perpetuation of the threat from that side, even if West Germany is under NATO command" (p 233). This approach is understandable because it was gained through much suffering, but it is reminiscent of the "no-win situation" which is disappearing from international relations today. Now that the unilateral safeguarding of security by military means and even political means is growing less and less permissible, and now that trust and consideration for mutual interests are becoming necessary elements of foreign policy, there is an obvious need for the constructive revision of ideas about whether a German threat to Poland exists today (and if so, then what kind of threat).

The American experts' approach to this matter is devoid of the emotional overtones characteristic of the European approach. Their articles are not assessments of possible development patterns from the standpoint of their desirability or undesirability, but analyses and diagnoses providing the basis for more or less objective forecasts. This does not mean, however, that they disregard their own country's political interests. Without going into the issue of reunification, which looks extremely vague and improbable from the other side of the ocean, W.R. Smiser, an expert on American-West German relations, stresses that détente in FRG-GDR relations is consistent with American interests. The editor of the book, F.S. Larrabee, states the problem in broader terms ("The German Question—The Question of Germany's Place and Role in Europe"), and prefers to examine it in the broad context of East-West relations and of Soviet-American relations in particular (p 182).

What are the views of the main protagonists—the West and East Germans?

The article by a well-known political scientist from the GDR, M. Schmidt (written before October 1989, which must be taken into account), underscores two basic trends: The GDR's efforts at self-affirmation and the all-round development of cooperation between the two German states. For the East Germans and the West Germans the issue primarily means that they have a special responsibility to keep the peace in Europe and that the solutions to problems in intra-German affairs, however important these problems might be in themselves, must satisfy the interests of peace and security in the Old World. Ever since the document on the fundamentals of GDR-FRG relations was signed, people on both sides have leveled various complaints and accusations at each other, but once the concept of the "special responsibility" (which was once called "hypocritical" in our press) was formulated, and this is quite important, it was never questioned.

The book reflects the dynamics of the development of this issue under the influence of internal and external factors. It analyzes one of the main tendencies in the development of GDR-FRG relations—a tendency specified in the title of F.S. Larrabee's article: the move from the idea of reunification to the idea of rapprochement. All of the authors agree to some extent that detente was of colossal importance to the Germans in the GDR, the FRG, and West Berlin. They gained more from it than anyone else in Europe. For this reason, the escalation of tension in the late 1970s and early 1980s conflicted primarily with their interests. This was also the reason for the aggravation of the German question at that time. There were attempts to hold on to earlier achievements, even at the price of difficulties in relations with partners in military-political alliances. We must admit that these efforts eventually benefited the Germans and contributed to the preservation of the particular elements of detente that have gained new significance today within the context of the idea of the common European home.

The efforts to preserve and develop cultural and historical community are discussed at length in the work, but another tendency—one which might come as a surprise to many—in the evolution of the problem is analyzed in the article by West German political scientist G. Schweigler on "German Questions, or the Contraction of Germany." Judging by the results of sociological studies, the 40 years of separate existence led to a situation in which the West Germans of the younger generation do not regard the GDR as part of their own country and are more inclined to see it as a country as foreign as Belgium, Austria, etc. The inhabitants of the FRG are beginning to have a stronger sense of their West European identity and EC citizenship than of their German identity. These studies, I repeat, were conducted in the second half of 1989. It is possible that the situation might have changed slightly or even substantially since that time, but probably not enough to keep this tendency from affecting future events.

After discussing the articles written by the authors from the GDR and Poland, we can only regret that the article entitled "The View from Moscow" was written by American F.S. Larrabee. We cannot complain about the job the author has done: The work meets the highest standards and contains a thorough analysis of Soviet policy in relations with the German states during the last four decades and of the influence of perestroika on our relations with the GDR and FRG and on their internal political development. But this gives rise to another question (for at least the hundredth time): Why do we have to learn about ourselves from Americans? It is always useful and even necessary to hear the views of an outsider who is an intelligent and professional analyst, but is it possible that we had nothing to say about this to anyone? Or is this another case of a closed subject?

The abrupt reversals in the GDR in the second half of last year probably shocked even the most experienced experts on the German question throughout the world. Nevertheless, the highly skilled use of information and analytical instruments allowed the authors of this book to make many predictions with a sufficient degree of accuracy. Soviet political scientists, who have said virtually nothing about this sensitive topic until recently, will have to conduct thorough and careful investigations of past events, quickly making up for lost time and make the necessary adjustments after hearing the reasonable statements of our political leadership, which has reopened the once "closed" discussion. After all, this concerns the GDR, our closest ally. There is no question that the problems of the GDR and FRG will be solved in Berlin and Bonn, but it would be wrong to underestimate the role of the "Soviet factor." Our actions must be based on the solid foundation of expert appraisals. In this connection, we naturally wonder whether Soviet scholars of German affairs are capable of laying this foundation today, or whether we should put all of our hopes in foreign studies, like the brilliant book published by Macmillan.

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#### Recent Publications

904M0010A Moscow MIROVAYA EKONOMIKA I  
MEZHDUNARODNYYE OTNOSHENIYA in Russian  
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[Text] "Alternativy 1939 goda: dokumenty i materialy"  
[Alternatives in 1939: Documents and Materials]  
Moscow, Izdatelstvo APN, 1989, 269 pages.

"Refugees. Dynamics of Resettlement. Report Prepared  
for the Independent Commission on International  
Humanitarian Issues," translation from English.  
Moscow, Mezhdunarodnyye otnosheniya, 1989, 207  
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- Bukharin, N.I., "Problemy teorii i praktiki sotsializma" [Aspects of the Theory and Practice of Socialism], Moscow, Politizdat, 1989, 512 pages.
- Valovoy, D.V., "Ekonomika: vzglyady raznykh let. Stanovleniye, razvitiye i perestroika khorayaystvennogo mekhanizma" [Economics: Viewpoints of Different Years. The Establishment, Development, and Restructuring of the Economic Mechanism], Moscow, Nauka, 1989, 453 pages.
- "Vsemirnaya istoriya ekonomicheskoy mysli" [History of World Economic Thought], in 6 volumes, edited by V.N. Cherkovets, Moscow, Mysl, 1989, vol. 3, 606 pages.
- Goncharova, A.V., "Vosproizvodstvo rabochey sily v usloviyakh sovremennogo kapitalizma" [Reproduction of Manpower in Contemporary Capitalist Society], Moscow, Izdatelstvo MGU, 1989, 144 pages.
- "Demograficheskaya politika v sovremennoy mire" [Demographic Policy in Today's World], edited by A.G. Vishnevskiy, Moscow, Nauka, 1989, 179 pages.
- "'Dukh Yamato' v proshlom i nastoyashchem" [The "Yamato Spirit" in the Past and Present], edited by L.D. Grishcheva and I.A. Latyshev, Moscow, Nauka, 1989, 212 pages.
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- Korochantsev, V. and Osipov, A., "Fragments yuzhnoafrikanskoj simfonii" [Excerpts from the South African Symphony], Moscow, Molodaya gvardiya, 1989, 254 pages.
- "Kritika nemarkistskikh kontseptsiy v prepodavanii politicheskoy ekonomii" [Criticism of Non-Marxist Theories in Courses in Political Economy], edited by A.D. Smirnov, Moscow, Vysshaya shkola, 1990, 352 pages.
- Kulikov, V.S., "Kitaytsy o sebe" [Chinese Self-Appraisals], Moscow, Politizdat, 1989, 256 pages.
- "Latinskaya Amerika v tsifrakh" [Latin America in Statistics], edited by V.M. Davydov, 1989, 204 pages.
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- "Naseleniye mira. Demograficheskiy spravochnik" [The World Population. Demographic Handbook], Moscow, Mysl, 1989, 479 pages.
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"Sovremennyy kapitalizm: khoryaystvennyy mekhanizm i NTP" [Present-Day Capitalism: Economic Mechanism and Scientific and Technical Progress], edited by S.M. Nikitin, Moscow, Nauka, 1989, 262 pages.

"Sotsialisticheskaya sobstvennost: formy realizatsii" [The Means of Accomplishing Socialist Ownership], edited by A.D. Smirnov and K. Sabo, Moscow, Ekonomika, 1989, 270 pages.

"Spravochnik nauchnogo rabotnika" [Scientific Employee Handbook], Kiev, Naukova dumka, 1989, 328 pages.

"SSSR i mezhdunarodnoye sotrudnichestvo v oblasti prav cheloveka. Dokumenty i materialy" [The USSR and International Cooperation in the Sphere of Human Rights. Documents and Materials], edited by A.L. Adamishin, Moscow, Mezhdunarodnyye otnosheniya, 1989, 709 pages.

"French Republic: Constitution and Law," translation from French, edited and prefaced by V.A. Tumanov, Moscow, Progress, 1989, 446 pages.

Chayanov, A.V., "Krestyanskoye khoryaystvo. Izbrannyye trudy" [The Peasant Farm. Selected Works], edited by A.A. Nikonov et al, Moscow, Ekonomika, 1989, 493 pages.

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### Department Bureau Meeting

904M0010L. Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 3, Mar 90 (signed to press 16 Feb 90) pp 153-155.

[Text] A report entitled "The New Thinking: The Communists and the Social Democrats," was presented by Doctor of Historical Sciences B.I. Koval, deputy director of the IMRD [Institute of International Workers' Movement] of the USSR Academy of Sciences, at the latest bureau meeting of the Department of Problems of World Economics and International Relations. In particular, he said that his topic is now taking center stage in the broad sense of the term and is the focus of the attention of academics and politicians. This is due not only to the present and, in particular, future international workers' movement, the search for ways of expanding dialogue, cooperation, and interaction in the world arena among its various currents and parties, and the elimination of the ruinous century-long split. Something even more important is connected with the future of socialism, the determination of optimal models of socialism as a new pioneering order, and the need for impartial analyses of mankind's rich experience in the political administration of society. The prospects of the communist movement will ultimately depend largely on the analysis of this topic and the choice of mutually acceptable solutions to all related problems.

In this sense, the speaker said, the social democrats' experience in carrying out particularly well-planned social reforms and the theories and practices of democratic socialism can and should be accepted by communists as something truly constructive and should be examined from a new and unbiased vantage point. It is only now that we are genuinely open to this experience for the first time. Not all communists, however, are completely willing to take a constructive approach in this area. It is encouraging, B.I. Koval stressed, that the CPSU is playing one of the leading roles in this process. Its constructive overtures to social democrats and the Socialist International warrant respect and complete support. Many prominent Soviet social scientists have made a sizable contribution to the success of this important work.

It is important to always remember, the speaker said, that the conscious renunciation of the theoretical conjectures and obsolete stereotypes, which were assigned absolute value by the years of ideological confrontation and which obscured our thinking for so long, is more necessary today than ever before. Although a positive cleansing process is already going on, the impact of many decades of repeated reminders of the prevalence of violence in history, the unconditional superiority of socialism to capitalism, the unconditional accuracy of our social knowledge and ideological axioms, the sinful depravity and treachery of all types of reformism, and so forth, is still apparent in our scientific and political thinking. The old thinking produced unforgivably biased explanations of revolutionary goals and the means of their attainment and ignored any unfamiliar or undesirable developments and processes that did not fit into the framework of orthodox doctrine. In essence, the speaker said, leftist communist views and judgments prevailed in our country for many years.

The rigid and adamant insistence of traditional communists on worldwide socialist revolution and their emphasis on violent means and methods of political struggle did not appeal to much of the laboring public and ideologists in the Western countries and gave the social democrats a chance to acquire more influence among the masses by taking essentially the opposite stance at the beginning of the century and by staying true to their fundamental values to this day. Furthermore, the speaker stressed, in spite of their weaknesses and shortcomings, they have displayed more political and philosophical consistency than many members of the communist movement in several respects. This applies in particular to their emphasis on partnership and dialogue, gradual non-violent reform, and the consideration and active use of moral and humanistic factors, which is much more consistent with the values and preferences of large segments of the laboring public in the absolute majority of countries. Under present conditions, B.I. Koval remarked, the earlier hostility, aggressive mutual enmity, and "enemy image" are gradually being overcome by communists and members of the Socialist International. The new thinking has forced us to make

several rather unpleasant admissions regarding the vital need to renounce dictatorship and totalitarianism (our opponents called for this long ago), to humanize and democratize socialism, to assign priority to common human values and interests, etc. It is clear that in a situation fraught with many global cataclysms, the social democrats who have won indisputable victories should be regarded not as enemies or even as rivals, but as equal, conscientious, and experienced partners in the attainment of what is essentially a single set of common goals in the world arena. Today the prospects for the communist movement are connected directly with its potential for thorough renewal and its ability to discard a variety of outdated dogmas and doctrinal strata. This, the speaker stressed, will necessitate extensive studies of the activities of mass political parties, especially the social democratic parties. In his opinion, this calls for a special research project in which all interested social science institutes in the country could take part in planning and conducting the work. It would also be useful to consider the possibility of organizing applied science conferences—including major international conferences—on the present state and future prospects of the social democratic movement.

Academician A.M. Rumyantsev and doctors of historical sciences A.B. Veber, A.A. Galkin, R.Ya. Yevzerov, E.V. Klopov, S.P. Peregodov, V.Ya. Shveytser, and A.V. Shestopal took part in the discussion of the report.

The department bureau passed a resolution approving the IMRD report in general (Doctor of Historical Sciences M.A. Neymark was actively involved in its preparation), recommending the continuation of IMRD research in this field (under the supervision of Corresponding Member of the USSR Academy of Sciences T.T. Timofeyev), and supporting B.I. Koval's specific proposals.

The nomination of an editor-in-chief for *AZIYA I AFRIKA SEGODNYA* was also discussed at the meeting. The unanimous choice was Mikhail Stepanovich Kapitsa, a Ukrainian who was born in 1921. He is a member of the CPSU, a corresponding member of the USSR Academy of Sciences, a doctor of historical sciences, a professor, and the director (since 1987) of the Institute of Oriental Studies of the USSR Academy of Sciences. He is a specialist in the history of USSR foreign policy and international relations in the Far East and in Southeast Asia and the author of more than 80 published works, including a monograph. He was an official in the USSR Ministry of Foreign Affairs for many years and served as deputy minister from 1982 to 1987. He is a people's deputy of the USSR and a USSR State Prize winner.

In response to the International Organization of Canadian Scholars' suggestion that Soviet scholars establish a branch of the organization in the USSR, the bureau resolved to establish the Soviet Association of Canadian Scholars within the Department of Problems of World Economics and International Relations.

The proposal of the IMRD directors regarding the membership of the institute academic council (27 members) was approved.

Members of the department bureau were also briefed on topics of discussion at the latest meetings of the presidium and social sciences section of the USSR Academy of Sciences and on the resolutions passed at the meetings.

The meeting of the department bureau was conducted by acting Academic Secretary V.V. Zhurkin, corresponding member of the USSR Academy of Sciences.

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### Chronicle of Institute Affairs

904M0010M Moscow MIROVAYA EKONOMIKA I  
MEZHDUNARODNYYE OTNOSHENIYA is Russian  
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#### [Text]

The institute academic council devoted a special session to the commemoration of an important date—the 110th anniversary of the birth of Academician Ye.S. Varga, one of the prominent authorities in Soviet political economy and the founder of a major scientific school. The meeting was called to order by IMEMO [Institute of World Economy and International Relations] Deputy Director O.N. Bykov, corresponding member of the USSR Academy of Sciences, who underscored the great contribution of the remarkable researcher and organizer to the development of the Soviet social sciences and the solidity of the theoretical and applied-science foundation that was laid in the sphere of economic knowledge during years of difficulty for the country by the small research team of the Institute of World Economics and World Politics (the forerunner of IMEMO), which was headed for more than 20 years by this great scholar. The scales of Ye.S. Varga's productive activity seem particularly impressive today, now that we have acquired a new sense and understanding of the tense atmosphere of the first decades of Soviet rule. At the time when the institute was being established, objective and genuinely scientific studies of the capitalist world were hampered by primitive assumptions and clichés and required the true scholar to display exceptional courage and integrity. In the atmosphere of Stalin's stifling dogmatism, Ye.S. Varga and his colleagues were able to conduct a realistic analysis of current events, however inconsistent this may have been with the sometimes rigid instructions "from above" and requirements of the times. Although the existence of the institute abruptly came to an end in 1947 (in the same way that so much abruptly came to an end in those years), the results of its activity still arouse great interest and respect. We IMEMO associates, along with other researchers of world economics and politics, O.N. Bykov said in conclusion, feel that we are continuing this important work. We are developing many of the same



fields of science that were once charted by Academician Ye.S. Varga and his institute. For this reason, we feel the need to commemorate this important anniversary not only with celebration, but also with the constructive discussion and comparison of analytical deductions and appraisals.

Doctor of Historical Sciences V.I. Kaplan related his recollections of Ye.S. Varga's scientific and social activities and of the establishment of his school. A full schedule of analytical inquiries, he said, did not keep this hard worker from taking an active part in applied research, collaborating with prominent members of the international labor movement, training young specialists, and helping them in every way possible. The Institute of World Economics and World Politics owed its emphasis on basic research, which defined its professional identity and helped it win prestige within the country and abroad, to its director.

Scientific reports were presented at the academic council meeting by prominent IMEMO researchers—Doctor of Economic Sciences Ya.A. Pevzner ("Competitive, Corporative-State Capitalism"), Doctor of Economic Sciences and Professor Ye.S. Khesin ("The Internationalization of Economic Affairs and Disparities in Economic Development"), Doctor of Historical Sciences S.P. Peregudov ("The Current Machinery of Political Administration and the Theory of State-Monopoly Capitalism"), Doctor of Economic Sciences I.M. Osadchaya ("Some Aspects of the Theory of Government: From Varga to Contemporary Political Economy"), and candidates of economic sciences L.M. Grigoryev ("Some Aspects of the Contemporary Economic Cycle"), V.B. Studentsov ("The Plan and the Market in the Contemporary Capitalist Society"), and S.L. Komlev ("Debates on Productive Labor: The Current Point of View").

The journal editors will begin publishing the reports in this issue.

"The African Civilization and Society in Today's World" was the topic of the latest institute roundtable, organized by the IMEMO Center for Studies of the Developing Countries and the Non-Aligned Movement in conjunction with the editors of *MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA* as part of the discussion series analyzing the civilizations of today's world. It was attended by social scientists from academy institutes (the Africa Institute—IA, the Oriental Studies Institute—IV, the Philosophy Institute—IF, and the Institute of Scientific Information on the Social Sciences—INION) and from the journal *NARODY AZII I AFRIKI*. The discussion was led by Doctor of Historical Sciences V.G. Khoros, head of the Department of the Economics and Domestic Policies of Developing Countries, who welcomed the participants and formulated the three main topics of discussion: the salient features of the African culture and civilization, their present state and future prospects, and the distinctive features of modernization. He proposed that culture

be defined as a hierarchy of values, and that civilization be defined as the materialization of culture. This led to extensive discussion.

In particular, Candidate of Historical Sciences V.A. Beylis (INION) expressed the opinion that it was not until the 1920's that the view of the African people as "savages" was replaced by the realization that only culture (i.e., in his words, the set of rules of behavior) allows any people, regardless of their level of development, to exist in their natural environment and in their social surroundings as neighbors of other ethnic groups. For this reason, we cannot conceive of people without a culture. Civilization is a different matter, and it comes into being, as Doctor of Philosophical Sciences B.S. Yerasov (IV) stressed, only when the individual in society begins developing in the full sense of the term.

In the opinion of Candidate of Philosophical Sciences A.A. Kara-Murza (IF), Hegel's well-known triad, "delineating" the progression toward the development of the individual (one person is free, a few people are free, all people are free), is inapplicable to the traditional African society as a whole. This society, which represents a corporative entity in which the determining factor is not the production of material goods, but the reproduction of the social community by means of distribution, simultaneously erects strong obstacles to deter this development. Even the personification of the corporative spirit in a single individual (a leader or chief) does not lead to individual development because this individual is bound by numerous prohibitions and restrictions. It is no coincidence that the most individualized features in the traditional African culture are usually negative or "evil" and are represented by people who have violated the "group" taboos.

Modernization—i.e., the transition from the pre-bourgeois society to modern society—has always had its own distinctive features in Africa. According to V.G. Khoros, an analysis of these could be extremely useful and important to our country. When the "dark continent" became part of the modern world, the resulting disintegration of traditional structures there occurred before new structures had been established. The widespread Christianization and Islamization and the later adoption of the socialist orientation, as speakers pointed out, reflected a tendency toward the reproduction of corporative relations under these new conditions. For this reason, the "Europeanization" Africa is undergoing today is not tantamount to genuine modernization—i.e., the establishment of a producing, and not merely consuming, society. This is the reason for the borderline status of the African intelligentsia, which is more likely to be regarded by the people as something alien than as the highest representatives of their own culture.

When the discussion turned to the future prospects of the African states, many speakers stressed that the increasing interdependence of today's world will force the developed countries to assist in some way in the genuine modernization of Africa. In the opinion of

Candidate of Historical Sciences L.F. Blokhin (INION), however, possibilities for the adoption of the developed countries' experience will depend not on the amount of financial assistance, but on changes deep within the structure of social relations. Although Africa does represent one of the "extremes" in the world, it is nevertheless capable, as T.I. Krasnopevtseva (IA) said, of making a serious contribution to world culture, primarily by establishing the idea of man's harmonious coexistence with nature. The vivid proof of this includes L. Senghor's theory of "negritude."

A more detailed report on this roundtable will be published in a coming issue of the journal.

The editors of *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA* established partnership relations and creative contacts with one of the main political science publications in the Arab world—the quarterly *AS-SIYASA AD-DAULIYA* ("International Politics"), which won its deserved popularity and respect among international social scientists long ago. It is published by the Center for Political and Strategic Studies of the Arab Republic of Egypt and the Al Ahram publishing house.

A delegation from *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA*, including journal Chief Editor G.G. Diligenskiy, doctor of historical sciences and professor, and Deputy Chief Editor S.V. Chugrov, candidate of historical sciences, went to Egypt as the guests of the center directors to discuss future contacts and coordinate plans for the development of bilateral professional cooperation. Meetings and conversations gave the colleagues a chance to inform one another in detail of the current objectives and problems of their editing and publishing activity and exchange views on world issues, the need for a stronger system of international security, and present and future Soviet-Egyptian relations. A prominent place in these discussions was occupied by topics connected with the distinctive features of perestroika processes in the USSR and other socialist countries, the evolution and future of Marxist theory, its role in today's world, and North-South relations within the context of the increasing influence of the new thinking and the thaw in the international political climate. The administrators of the two journals discussed the possibility of organizing meetings of scholars from the USSR and Egypt and reached agreements on the exchange of articles, scientific informational materials, research works, etc.

The Soviet journalists were received by Director Said Yasin of the Center for Political and Strategic Studies, who displayed a great interest in the status and achievements of scientific investigations in the social studies and political science in our country. During a conversation with leading center experts, the colleagues discussed such matters as the analysis and press coverage of the rapid revolutionary processes in the socialist world, Soviet-American relations, and the means of the just settlement of Middle Eastern problems.

G.G. Diligenskiy and S.V. Chugrov had meetings and conversations with Doctor Usam al-Baz, the director of the Egyptian president's political bureau, and with Egyptian diplomats working in the East European sector of the foreign ministry. On one of the final days of the visit they took part in a roundtable discussion conducted by Chairman K. Muhyi-al-Din of the National Patriotic Party. It was held in the offices of the Egyptian Peace Committee and was attended by representatives of various political forces in the country and by political scientists.

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Competitive Corporative-State Capitalism  
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